

## PEOPLE

**The Global Newspaper**  
Edited and Published  
in Paris  
Printed simultaneously in Paris,  
London, Zurich, Hong Kong,  
Singapore, The Hague, Marseille,  
New York, Rome, Tokyo.

**Michener, Wife to Give Art Collection Away**  
The author James Michener, his wife, and their collection of art, which has been sold at auction, have decided to give away their collection of art, which includes over 5,000 Japanese prints and American paintings, rather than "accept" it as a gift. The collection, which is valued at more than \$10 million, will be loaned to the Honolulu Academy of Arts. The American pieces, including canvases from the 1930s to the present, will be loaned to the University of Texas.

**Dollar Resists Pressure**

No. 32,888

46/88

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

\*\* PARIS, SATURDAY-SUNDAY, NOVEMBER 19-20, 1988

Afghanistan	6.00 Drs. Iran	115 Rials Oman	1,200 Rupees
Austria	22 S. 5000	115 S. 250 Francs	145 Esc.
Bahrain	0.800 Dinar	1,300 Lira	8.00 Rials
Bangladesh	500 Taka	750 Rupee	1.75 P.
Belgium	500 Francs	1,300 Sri Lankan Rupee	7.50 P.
Bulgaria	0.400 Lev	3,300 South African Rand	7.00 R.
Cambodia	11.00 DAY	1,750 Francs	3.00 Rials
Egypt	8.2750	1,200 Lira	3.00 Esc.
Fiji	8.50 Fijian Dollars	150 Esc. Tunisian	0.700 Dari
France	7.75 F.	1,200 Dhs. Turkey TL	2,700.00
Germany	2.70 D.M.	1,000 D.R. U.A.E.	3.00 Dari
Great Britain	1.00 Pound	8.00 N.Z. U.S. M.	1.00 Esc.
Greece	1.00 Drachma	8.00 Marks Yugoslavia	3.50 D.

ESTABLISHED 1887

## Dollar Resists Pressure

### New Purchases by Central Banks Overcome Sellers

*Compiled by Our Staff From Dispatches*  
NEW YORK — Determined dollar sellers engaged in a tug of war with central banks Friday and the official supporters of the currency barely emerged the victors, boosting the dollar's value slightly.

As President-elect George Bush, Treasury Secretary Nicholas F. Brady and other officials stepped

A secret meeting of finance officials in Paris set the stage for massive dollar support. Page 9.

up efforts to calm markets, central banks piled in to underpin the dollar. Some sources put their purchases Thursday and Friday at as much as \$3 billion.

The dollar rose to 122.60 yen at the close in New York, from 122.05 at Thursday's close, and to 1,737 Deutsche marks from 1,722.8 DM.

However, it was well off highs set immediately after the intervention. In active trading, the dollar gyrated from 122.50 to 123.20 yen and from 1,725 DM to 1,7460 DM.

In Tokyo on Thursday, the dollar had sunk to its lowest closing rate ever at 121.52 yen, despite support from the Bank of Japan and massive intervention by the U.S. Federal Reserve and nine other central banks reversed the trend. That support continued Friday.

"For the central banks, it's a case now of wearing down the market's inclination to sell dollars," said Robert Haasler, senior foreign-exchanging trader at Barclays Bank in New York.

Several economists said bearish sentiment prevailed. "The market hasn't really been frightened by the intervention," said David Redding, an international money-market economist at Bankers Trust Co.

The fundamental psychology is still fairly negative."

Mr. Bush, meanwhile, vowed to fill out his economic team soon, while aides tried to calm nervous financial markets.

In Virginia for a meeting with state governors, the president-elect said he would make final economic-policy appointments before

See DOLLAR, Page 12



Mr. Bush, meeting with governors Thursday in Charlottesville, Virginia, said he would quickly name key economic officials.

## Soviets Back Declaration Of a Palestinian State

By David Remnick

*Washington Post Service*

MOSCOW — The Soviet Union on Friday endorsed the Palestine National Council's proclamation of an independent Palestinian state in the Israeli-occupied West Bank and Gaza Strip, but it was unclear if Moscow was offering full diplomatic relations.

In a statement that one Arab diplomat in Moscow described as "moderation itself," First Deputy Foreign Minister Alexander A. Bessmertnykh said the PNC's action in Algiers on Tuesday was "a major contribution to the process of a fair political settlement in the Middle East."

Mr. Bessmertnykh, however, was unclear on whether Moscow was extending full diplomatic recognition to the newly proclaimed Palestinian state.

"Yes, this is the essence of today's declaration," he told reporters. But then, he read a less precise formulation that kept the issue of full diplomatic recognition vague: "The Soviet Union has recognized the proclamation of a Palestinian state."

East Germany recognized the Palestinian state on Friday. The Associated Press reported from Berlin.

The "balance" of the Soviet statement, analysts said, is apparently intended to avoid alienating either Israel, which has rejected the PNC action, or the Arab and Islamic states that have given outright recognition to a Palestinian state.

Mr. Bessmertnykh said the Soviet Union was committed to a principle of "fundamental freedom of choice" in the Middle East, a comment that indicated that Moscow hoped the end result of any negotiations on the region would be the creation of a Palestinian state alongside Israel.

But the seemingly deliberate ambiguity of the Kremlin's position on the PNC declaration was, a dip-



Abu Musa, a radical Palestinian guerrilla leader, speaking to reporters Friday in West Beirut. He denounced Yasser Arafat, chairman of the Palestine Liberation Organization, for implicitly recognizing Israel and urged election of a new PLO leadership.

## South Africa Finds 4 Guilty of Treason

By William Claiborne

*Washington Post Service*

that swept the country from 1984 to 1986.

They also may determine whether the United Democratic Front, South Africa's largest anti-apartheid coalition, will be outlawed like its ally, the African National Congress, on charges of having plotted to overthrow the government.

In his verdicts, Justice Kees van Dijkhorst branded the UDF a "revolutionary organization" akin to an internal wing of the ANC and one holding the same goal: the overthrow of the white minority government by making the country ungovernable through street violence.

The UDF has contended that it is a nonviolent umbrella organization for more than 700 anti-apartheid groups and that, while it identifies with the nationalist aspirations of the exiled ANC leadership, it does not do its bidding.

Among those convicted of treason Friday were three high UDF officials, Patrick Lekota, the group's publicity secretary; Popo Molefe, its national secretary, and Moss Chikane, its Transvaal Province secretary.

Also convicted of treason was the Reverend Thomas Mabhatha, an activist in the Sharpeville area southwest of Johannesburg, where the first civil unrest erupted in 1984 before it spread throughout the country.

Among those attending the final day of the four-day reading of the 1,521-page written verdict was Helen Suzman, the long-serving white member of parliament from the liberal opposition Progressive Federal Party. She said of the verdict: "It does narrow the margin between what is lawful dissent and what is considered treason."

Before being led away by court officers, Mr. Chikane said, "We have to be strong. Apartheid has entrenched itself. The roots are too deep. We knew that nonviolence would be interpreted this way."

Defense attorneys said they would begin preparing their arguments for mitigation of sentencing, which will start Dec. 5. The three UDF officials have been in jail without bail since before the trial began more than three years ago.

The secretary general of the South African Council of Churches, the Reverend Frank Chikane, who is not related to Moss Chikane, said the target of

See TREASON, Page 5

## Chinese and Soviets Cooperate on Far East Flights

By Michael Richardson

*International Herald Tribune*

SINGAPORE — China and the Soviet Union, in another sign of warming relations, are cooperating with international civil aviation bodies to open faster, nonstop air routes between the Far East and Europe, officials involved in the negotiations say.

In an important change of policy, Beijing and Moscow have agreed in principle to establish an air corridor across the Chinese-Soviet border that has been closed to international flights for many years, the officials said in interviews this week.

Aviation experts said the new commercial

air routes from Hong Kong across China and the Soviet Union to Europe and Britain would shave up to one and half hours off the nonstop journey, which now takes about 14 hours.

Airline executives said the two new routes being studied by Chinese and Soviet authorities would save many millions of dollars a year in aircraft fuel costs and enable planes to carry a fuller load of passengers and freight.

These direct great-circle routes across China and the Soviet Union would also relieve growing air traffic congestion between the

Far East and Europe and should improve air safety, the sources added.

Chinese and Soviet aviation officials discussed the proposed routes in Bangkok in July at a meeting arranged by the International Civil Aviation Organization, a United Nations agency.

Mohammed Y. Wazirzada, the organization's regional representative for Asia and the Pacific, said officials from both countries were "very cooperative."

There will be two follow-up meetings in Bangkok in 1989 and, if all goes smoothly, the air corridors across the Chinese-Soviet border will be open in 1990, he added.

In a separate interview by telephone in Bangkok, Hans Fugl-Svendsen, regional technical director of the Asia-Pacific office of the International Air Transport Association, said several technical problems still had to be solved.

They included agreement of Chinese military authorities to the new flight paths across China and the training of more English-speaking air traffic controllers in both the Soviet Union and China.

More than 170 airlines, including most of the major international carriers, are mem-

See FLIGHT, Page 5

## Delay on Sovereignty Vote Provokes Cry of 'Treason' From Lithuanians

By Esther B. Fein

*New York Times Service*

MOSCOW — Heading a plea by its Communist Party leader to pursue the aim of sovereignty with patience, the legislature of the Baltic republic of Lithuania decided Friday not to declare its laws supreme over Soviet law.

The action disappointed the neighboring Baltic republic of Estonia, which had adopted a bold declaration of sovereignty earlier this week and elicited cries of "treason" from thousands of Lithuanians who gathered at a protest rally in the Lithuanian capital of Vilnius.

The Lithuanian legislature's decision not to pronounce its sovereignty came a day after Moscow declared "unconstitutional" a vote by the Estonian legislature granting itself the right to reject Soviet laws that infringe on local autonomy.

The Lithuanian Communist Party leader, Algirdas Brazauskas, appealed to legislators in his republic for restraint, saying: "We have no right to mislead the Lithuanian people and give them what would be a one-day wonder."

The Lithuanian legislature, or Supreme Soviet, responded by voting to approve a Kremlin plan for

electoral reform, but postponing a vote on whether to accept proposed changes to the Soviet Constitution that have been criticized within the Baltics for concentrating too much power in Moscow.

The legislators also voted to make Lithuanian the republic's official language, replacing Russian; replace the flag of Soviet Lithuania with the banner of the pre-1940 independent state; and reinstate the former Lithuanian national anthem.

According to Lithuanians who attended the meeting as spectators, the legislature never voted on whether or not to declare its right to veto Soviet laws. At Mr. Brazauskas urging, they avoided an actual vote on the issue.

"He exerted a lot of pressure on them," said Arunas Zabriunas, a Lithuanian filmmaker and an active member of Sajudis, a grassroots Lithuanian national movement that has strong popular support. "He was very clever in how he spoke and it worked."

Meanwhile, the Estonian president, Arnold Ranta, met Friday in Moscow with members of the Presidium of the Supreme Soviet, the Soviet Union's highest executive body, and defended the Estonian

legislature's 258-to-1 vote Wednesday amending the republic's constitution to allow Estonian authorities the right to decide whether to apply Soviet legislation within the republic.

The legislators also voted to make Lithuanian the republic's official language, replacing Russian; replace the flag of Soviet Lithuania with the banner of the pre-1940 independent state; and reinstate the former Lithuanian national anthem.

According to Lithuanians who attended the meeting as spectators, the legislature never voted on whether or not to declare its right to veto Soviet laws. At Mr. Brazauskas urging, they avoided an actual vote on the issue.

"He exerted a lot of pressure on them," said Arunas Zabriunas, a Lithuanian filmmaker and an active member of Sajudis, a grassroots Lithuanian national movement that has strong popular support. "He was very clever in how he spoke and it worked."

Meanwhile, the Estonian president, Arnold Ranta, met Friday in Moscow with members of the Presidium of the Supreme Soviet, the Soviet Union's highest executive body, and defended the Estonian

legislature's 258-to-1 vote Wednesday amending the republic's constitution to allow Estonian authorities the right to decide whether to apply Soviet legislation within the republic.

The legislators also voted to make Lithuanian the republic's official language, replacing Russian; replace the flag of Soviet Lithuania with the banner of the pre-1940 independent state; and reinstate the former Lithuanian national anthem.

According to Lithuanians who attended the meeting as spectators, the legislature never voted on whether or not to declare its right to veto Soviet laws. At Mr. Brazauskas urging, they avoided an actual vote on the issue.

"He exerted a lot of pressure on them," said Arunas Zabriunas, a Lithuanian filmmaker and an active member of Sajudis, a grassroots Lithuanian national movement that has strong popular support. "He was very clever in how he spoke and it worked."

Meanwhile, the Estonian president, Arnold Ranta, met Friday in Moscow with members of the Presidium of the Supreme Soviet, the Soviet Union's highest executive body, and defended the Estonian

legislature's 258-to-1 vote Wednesday amending the republic's constitution to allow Estonian authorities the right to decide whether to apply Soviet legislation within the republic.

The legislators also voted to make Lithuanian the republic's official language, replacing Russian; replace the flag of Soviet Lithuania with the banner of the pre-1940 independent state; and reinstate the former Lithuanian national anthem.

According to Lithuanians who attended the meeting as spectators, the legislature never voted on whether or not to declare its right to veto Soviet laws. At Mr. Brazauskas urging, they avoided an actual vote on the issue.

"He exerted a lot of pressure on them," said Arunas Zabriunas, a Lithuanian filmmaker and an active member of Sajudis, a grassroots Lithuanian national movement that has strong popular support. "He was very clever in how he spoke and it worked."

Meanwhile, the Estonian president, Arnold Ranta, met Friday in Moscow with members of the Presidium of the Supreme Soviet, the Soviet Union's highest executive body, and defended the Estonian

legislature's 258-to-1 vote Wednesday amending the republic's constitution to allow Estonian authorities the right to decide whether to apply Soviet legislation within the republic.

The legislators also voted to make Lithuanian the republic's official language, replacing Russian; replace the flag of Soviet Lithuania with the banner of the pre-1940 independent state; and reinstate the former Lithuanian national anthem.

According to Lithuanians who attended the meeting as spectators, the legislature never voted on whether or not to declare its right to veto Soviet laws. At Mr. Brazauskas urging, they avoided an actual vote on the issue.

"He exerted a lot of pressure on them," said Arunas Zabriunas, a Lithuanian filmmaker and an active member of Sajudis, a grassroots Lithuanian national movement that has strong popular support. "He was very clever in how he spoke and it worked."

Meanwhile, the Estonian president, Arnold Ranta, met Friday in Moscow with members of the Presidium of the Supreme Soviet, the Soviet Union's highest executive body, and defended the Estonian

## 70,000 Vent Anger As Ethnic Albanians March in Yugoslavia

Reuters

Pristina, Yugoslavia — Seven thousand ethnic Albanians marched through the capital of Yugoslavia's Kosovo Province on Friday in renewed anti-Serbian protests, while Serbs in Belgrade festooned the capital with flags for a planned anti-Albanian rally.

The ethnic Albanians, angry over the removal of local leaders, marched through Pristina, 350 kilometers (220 miles) south of Belgrade, and poured into a sports stadium, the official Tasmaj radio agency said.

Belgrade radio said the protesters later marched to the Kosovar

Communist Party headquarters, where they yelled anti-Serbian slogans. The protesters were demanding that two local leaders who resigned under pressure from Serbia be given their jobs back.

They waved the red Albanian flag, bearing a double-headed black eagle, and shouted: "No resignations!" and "We won't give up our officials!"

Kosovo's ruling Communist Party Politburo held an emergency session and appealed to people to keep off the streets in a message broadcast on Pristina radio.

Local radio said many thousands more were converging on Pristina from all over the province, which borders Albania and has a population of almost two million.

On Thursday night, 10,000 ethnic Albanians held a similar protest at the Kosovo party headquarters, as Serbia called for a purge of the Kosovo leadership for allowing the growth of Albanian nationalism.

The Central Committee in the province removed Kosovo's party leader, Kacusa Jasari, 42, and a Politburo member, Azen Vlasi, 40, in an effort to defuse tension with Serbia, Yugoslavia's largest republic.

Although dropped from the provincial Central Committee, Miss Jasari remained as a Politburo member and Mr. Vlasi stayed in the Yugoslav Communist Party Central Committee.

[On Friday, Miss Jasari and Mr. Vlasi, who came from a similar meeting in Titovo Mitrovica, asked the crowd in Pristina for calm and urged the demonstrators to go back to work.]

[Mr. Vlasi said that he was "surprised" by the workers' reaction.

"We should not be happy with this demonstration," he told the International Herald Tribune. "We are not personally asking them for support. The situation should be discussed in proper bodies and dealt with through proper channels."

[Sava Komadinić, a Montenegrin who is president of the Kosovo trade unions, appealed to the crowd for calm. He was booed throughout his speech, and his appeal for unity "of the working class" drew heightened protests from the crowd.]

[At the earlier meeting, Mr. Vlasi sought to calm 6,000 striking lead miners who formed the protest core Thursday.

The ethnic division was underlined by Serbs putting up flags in Belgrade in preparation of an anti-Albanian rally Saturday.

Kosovo is nominally part of Serbia, but it won sweeping powers of self-rule under the 1974 constitution. It is populated by 1.7 million ethnic Albanians and a predominantly Serbian Slav minority of 200,000. Albanians rioted there in 1981, trying to set up a republic, and the protest Thursday was the biggest by Albanians since then.

The populist Serbian party leader, Slobodan Milošević, has led a drive this year to cut Kosovo's autonomy, through changes in the constitution, and to enable Serbia to crack down on Albanian nationalism.

At dozens of rallies throughout Yugoslavia this year, Serbs have demanded the resignations of Mr. Vlasi, Miss Jasari, and other Kosovo leaders, whom they blamed for Albanian nationalism.

The ethnic tension was further aggravated by labor unrest over low pay and very high inflation.

Organizers expect a million people to attend the rally Saturday.



Ethnic Albanians marching Friday in Pristina, Yugoslavia, to demand the reinstatement of two leaders who quit under pressure.

## Cuba Agrees To Angola Peace Plan

By David B. Ottaway

*Washington Post Service*

WASHINGTON — Cuba announced Friday that it would accept the U.S.-mediated plan for the withdrawal of an estimated 52,000 Cuban troops from Angola, clearing the way for the plan to be carried out swiftly if South Africa also agrees.

A statement published on the front page of the Cuban Communist Party organ, Granma, said Cuba had informed the United States "of the acceptance by Cuba of the understanding reached at the last meeting in Geneva between representatives of Angola, Cuba and South Africa."

The meeting in Geneva ended Tuesday with tentative agreement on a plan for the total phased withdrawal of Cuban troops and for independence for South West Africa, or Namibia, including United Nations-supervised elections in the South African-administered nation.

[Angola also approved the plan Friday, the Angolan press agency said in a report monitored in London.]

While details of the Cuban withdrawal plan have yet to be made public, people close to the negotiations said it called for all troops to leave Angola within 27 months, with half of them out in seven months and two thirds gone within one year of Namibia's independence.

At the same time, all Cuban troops would move from southern Angola to new positions north of the 13th parallel, about 400 kilometers (250 miles) from the Angolan-Namibia border, within six months from the start of the withdrawal plan and one month before elections are held for a constituent assembly in Namibia.

### CHURCH SERVICES

**CENTER OF COPENHAGEN**  
FIRST BAPTIST CHURCH, English speaking  
Sun. 9:00, Blegdamsvej 7, (Box 35716),  
Dk. R.J. Robinson, Min. Tel.: (01) 373924.

**DUSSELDORF**  
International Baptist Church, English church  
10:00, worship 11:05, Children's church and  
nursery, Meets at the international School  
Luisenburger Kirchweg 2, D-Kaiserswerth,  
Germany. All denominations welcome.  
Rev. Dr. W.J. Doley, Pastor, Tel.: 0211/407-1507.

**GENEVA**  
INTERNATIONAL CHRISTIAN FELLOWSHIP  
Catholic, English speaking Sunday service  
12:00 noon at Chambésy, 18, Chemin des  
Amit. Rev. Greg Flit, P.O. Box 2447, CH-  
1211 Geneva 2, (022) 32 06 07.

**CHURCH OF THE LIVING SAVIOR**, Gene-  
va's International Pentecostal church, 20 Ave.  
Emile-Picot. Enjoy a warm atmosphere of  
joyful, spirit-filled worship in English. 10:30  
a.m. and 7 p.m. Tel.: 447-0704 or 988580.

**HAMBURG**  
INTERNATIONAL BAPTIST CHURCH OF  
HAMBURG meets at Ev. Freikirche  
Gemeinde Christuskirche, Suttor Str. 18,  
Hamburg-Altona. Bible Study 1 p.m. + Wor-  
ship 2 p.m. Tel.: (011) 20-29293.

**NETHERLANDS**  
TRINITY BAPTIST S.S. 9:30, Worship 10:30,  
nursery, women fellowship, Meets at St. James  
complex 24 in Wassenaar. Tel.: 073-75024.

**LUXEMBOURG**  
Welcome to English speaking INTERNA-  
TIONAL CHURCH OF EVANGELICALS in  
Luxembourg. Every Sunday Service Every Sun-  
day 10:30 a.m. 40, Noemis Street, Luxembourg.  
Tel.: 0657-850-8617.

**MUNICH**  
INTERNATIONAL BAPTIST CHURCH, English  
speaking 5:55-11:45 a.m., 12:45, nursery,  
child. provided. Holzstr. 9, Evening Service  
7:00 p.m. Tel.: 089-490-8534.

**INTERNATIONAL COMMUNITY CHURCH**  
services in English 4:30 p.m. Sundays at  
Erlachstrasse 10, (U2 Theresienstr.). Pastor  
Ronnie Stevens (089) 850-8617.

**UNITARIAN UNIVERSALIST FELLOWSHIP**  
meets Sunday, Nov. 27 at 11 a.m. Phone:  
(089) 690-3036.

**PARIS**  
THE AMERICAN CATHEDRAL (Episcopal-An-  
glican). Sun. 9 & 11 a.m. Sunday School for  
children and nursery care at 11 a.m. 23 ave.  
George V, Paris 8, Tel.: 47 20 79 2, Metro:  
George V or Alma-Marceau.

**EMANUEL BAPTIST CHURCH**, 56 Rue des  
Bons-Raisins, Rue-Mollien. English  
speaking, evangelical, of denominations. 5:55  
9:45, 10:45, 11:45. Other activities. Call  
Dr. R.C. Thomas, Pastor. 47 49 13 29/  
47 51 29 63.

**INTERNATIONAL BAPTIST FELLOWSHIP**  
meets at 123 Ave. du Maine, Metro Gare,  
Vesper Service in English every Sunday evening  
at 6:30. Tel.: 47 29 47 31 29.

**STOCKHOLM**  
BANANAS, CHURCH OF CHRISTIAN & New  
Test. friendly division. Fellowship, English, Swedish  
and Korean. 11:00 a.m. Tel.: (08) 151225, 8-  
309803.

**ZURICH**  
INTERNATIONAL PROTESTANT CHURCH, En-  
glish speaking. Sundays 11:00 a.m., Schwanen-  
platz 25, Tel.: (01) 69 53 25.

## U.S. Tightens Civilian Security in Korea

By Seth Mydans

*New York Times Service*

SEOUL — The U.S. military tightened security around its civilian areas Friday after an unusual attack on an American housing compound in the city of Kwangju in which hundreds of people were killed by Korean riot police.

In a speech Friday, the commander of U.S. forces in South Korea, General Louis C. Menetrey, called accusations of U.S. complicity in Kwangju nonsense.

But in broadcast hearings on the incident that began Friday, even the opposition leader Kim Dae Jung, who is not usually critical of the United States, voiced his regret that Washington had not somehow mediated to halt the bloodshed.

A poll of students at six colleges that was reported Friday in local newspapers found that 95 percent believed that the United States must share some blame for Kwangju and that 48 percent said U.S. troops should be withdrawn from Korea.

The poll of 551 students, con-

ducted by Seoul University's Center for International Studies, found that 50 percent say the United States is neither an ally nor an enemy of South Korea and that 42 percent blame the United States for the division of North and South Korea.

"None of the respondents believed that the United States is a close ally guaranteeing democracy in South Korea and a country which liberated Korea from Japanese colonial rule," the Korea Herald, an English-language daily, reported. That phrasing echoed the standard history taught in Korean high schools.

In one of the half-dozen anti-American incidents since the Olympics, about 200 students attacked the U.S. Cultural Center in Kwangju on Oct. 14, damaging parked cars and breaking windows.

The most recent case, fueling anti-American sentiment, involved an American civilian in contract with the U.S. Air Force who fled the country after a traffic accident in which a Korean woman

was injured. He has been turned over to the custody of U.S. authorities pending an investigation and possible trial by the Koreans.

Critics calling for a revision of the 1966 Status of Forces Agreement that regulates the U.S. military presence in South Korea are arguing, among other things, for an adjustment of the rules of criminal jurisdiction.

A U.S. military spokesman said unspecified extra security measures were being taken as a result of the incident on Thursday, in addition to an alert that has been maintained at the U.S. Army headquarters since the Olympics.

"I consider those who attacked an American family housing area last night to be cowardly criminals," General Menetrey said in a statement.

"Those who use iron pipes, clubs and gasoline bombs against married families, women and children can be considered nothing else," he said. "I hope they are apprehended, tried and appropriately punished."

## Chun Described as Ready to Repent

Compiled by Our Staff From Dispatches

SEOUL — Chun Doo Hwan, who is under attack for alleged involvement in corruption during his term as the South Korean president, will apologize, surrender most of his wealth and retire from Seoul after giving most of his wealth to the government.

They spoke as members of parliament began a four-day hearing into Mr. Chun's role in suppressing a bloody uprising in the southern city of Kwangju in 1980.

Throughout the country, South Koreans watched on television as Kim Dae Jung, an opposition leader, took the stand and accused Mr.

Chun of inciting the uprising in a play to seize power.

A Chun aide, who spoke on condition of anonymity, said that next week the former president would announce his decision to leave Seoul after giving most of his wealth to the government.

Living in seclusion in the countryside is a traditional Korean way for disgraced leaders to show remorse.

The Hankook Ilbo, a mass-circulation newspaper, quoted an unidentified government source as having said that if Mr. Chun did act, President Roh Ta Woo was expected to pardon him.

(AP, AFP)

## Banned Polish Press Thriving

### Unofficial Journalists' Group Seeks Recognition in West

By Joseph Fitchett

*International Herald Tribune*

PARIS — Officially outlawed, the underground press in Poland now numbers more than 700 publications, ranging from a clandestine version of a national news agency to magazines for teenagers, according to members of the unofficial Polish journalists' union.

Stefan Bratkowski, leader of the Association of Polish Journalists, a banned union usually known by its initials in Polish, SDP, said that the underground Polish press has become the most influential national medium in the East bloc.

"We have publications on every imaginable subject except one, sports, because that's the only activity the official press doesn't lie about."

Stefan Bratkowski, leader of the Association of Polish Journalists

It would be the first time that the Western federation met in an East-bloc country, so Poland seems eager to be the host, according to a person involved in the talks.

But the Western federation is unlikely to proceed, this person said,

We have publications on every imaginable subject except one, sports, because that's the only activity the official press doesn't lie about."

Stefan Bratkowski, leader of the Association of Polish Journalists

unless the authorities in Warsaw agree to permit the banned Polish journalists' union to participate alongside official Communists.

Mr. Bratkowski, 54, had edited a monthly supplement on management for a leading daily, Zycie Warszawy, but he had become disaffected prior to 1981. He remained head of the association when it went underground.

The association helped start scores of publications, often printed clandestinely on government presses. Others were turned out on presses that were smuggled piece by piece into Poland and then reprinted.

The underground publications are issued by people from many occupations, from high school students to engineers or even journalists who earn their living working for official publications.

The activities of the Polish journalists' union extend beyond swapping news and technical guidance to a prize ceremony for underground publications.

"It's not like the Soviet Union, where only a handful of people are doing *glasnost* and trying to teach the concept to everyone else," Mr. Bratkowski said. "In Poland, these free publications are all over the country."

Mr. Bratkowski seems particularly eager for closer cooperation with the West in order to provide broader horizons for Polish journalists in their 20s, who he said are becoming increasingly radicalized.

Communist journalists' unions belong to a Prague-based body, the International Journalists' Organization, that mirrors the structure of the Brussels-based group.

At the center of Mr. Bratkowski's talks with officials from Brussels was the possibility of holding a meeting in Warsaw of the 44 Western member-unions in the International Federation of Journalists.

Western trade unions, together with the Polish Catholic Church, played a role in helping the banned association build an influential network of underground publications.

"Initially, our friends — journalists' unions but also other unions — helped us by sending food and clothes for the 1,000 or so people who had simply been put out of their jobs in the official media," Mr. Bratkowski said.

Independents and minor parties

## WORLD BRIEFS

### Russians Warn on Afghan Escalation

KABUL (NYT) — The Soviet military command in Afghanistan formally warned resistance forces on Friday that it would react strongly against further military escalation and said that it had already taken "additional measures to stop subversive and terroristic acts of the armed opposition."

The statement, which was read to the press by Lieutenant General Lev B. Serebryakov, followed two resistance attacks this week. The general gave no details of the military measures that he said had been taken and was equally vague about further steps.

Diplomats noted that despite the stern message, he repeated Moscow's and Kabul's pledge of adherence to the Geneva agreement of last April.

The general pointed out that half the Soviet troops had been withdrawn by Aug. 15, in accordance with the timetable fixed by the agreement among Afghanistan, Pakistan, the United States and the Soviet Union.

### Reagan Signs Major Anti-Drug Bill

WASHINGTON (AP) — President Ronald Reagan signed

## BRIEFS

## Afghan Escalation

military command in Afghanistan Friday that it would reactivate and said that it had already made and terrorist acts of the press by Lieutenant General that he had said had been taken and attacks this week. The General message, he repeated Monday, the Soviet agreement of last time timetable fixed by the United States and the Soviet Union.

or Anti-Drug Bill

dent Ronald Reagan signed it many of the get-tough provisions of the legislation to his wife's

\$ billion over two years, seeks to

ster law enforcement, tougher

countries in their fight against

level "drug czar," who was

strategy to combat drug abuse.

The measure also makes it

of drugs intended for personal

it fines.

Crashes in U.S.

AP) — A B-1B bomber crashed Air Force Base in the second accident to safety.

plane, which was reported

night, might have come in

an engine was on the barge.

officials reported that the air force

two-thirds of the 98 B-1B

Nov. 8 that destroyed one

on appeal. In the Welsh

fines of more than \$7 million, the

charges, carried up to 20 years

Expel Diplomats

expatriates have been expelled from

the Foreign Office said.

in "activities incommensurate with

ceasefire said Thursday.

Two weeks after Britain expel

the three British diplomats

legations of improper conduct

said it had ordered on at

the unjustified expulsion

officials said Haywood Rankin

had been expelled because

extensive contacts with their

## After 25 Years, Consensus on Kennedy Assassination Is Still Elusive

By Philip Shonan  
New York Times Service

WASHINGTON — A quarter-century after gunshots echoed across Dealey Plaza in Dallas and left the president mortally wounded, investigators, scientists and the public seem no closer to a consensus about the circumstances of John F. Kennedy's assassination.

For many students of the events of Nov. 22, 1963, all that really seems clear is their ignorance. They know they may never understand exactly what happened that day, or why.

They may never have conclusive evidence that President Kennedy was the victim of a single, unstable gunman, Lee Harvey Oswald, or the target of a conspiracy that may have involved the Mafia, the governments of Cuba and the Soviet Union, radical-right groups or perhaps even elements of the American intelligence community.

"It does not seem likely that these mysteries will ever be solved," said Representative Louis Stokes, Democrat of Ohio, who a decade ago led a congressional inquiry into the assassination. "I think it's more likely than not that we'll never know."

David E. Kaiser, an associate professor of history at Carnegie-Mellon University in Pittsburgh who has studied the assassination theories, said that Mr. Oswald was "an amazingly suspicious character," and that it was "possible to believe most anything about him and damned near impossible to know what's true."

One thing that the public has come to believe about him is that he did not act alone. For the last two decades, opinion polls have found rejection of the Warren Commission's findings.

According to a recent New York Times-CBS News Poll,

And the Justice Department said last year that it had closed its own inquiry into the Kennedy assassination by siding with the Warren panel. The department found "no persuasive evidence" to support arguments for a conspiracy.

The public at first seemed receptive to the conclusions of the Warren Commission, and many still accept them.

In an article to appear Sunday in The New York Times Magazine, David W. Belin, a Des Moines, Iowa, lawyer who served as counsel to the panel, writes: "Any American who takes the time to examine the overall record will agree that the Warren Commission was right."

But almost immediately after its release, the commission's report came under attack by critics, some of them reputable scientists and criminal investigators, who said the panel had been seriously misled or had overlooked compelling evidence of a broad conspiracy.

Perhaps most vexing, the critics said, were the questions about Mr. Oswald that had been left unanswered by the Warren Commission, particularly those involving his connections to the Mafia and to Cuba.

David E. Kaiser, an associate professor of history at Carnegie-Mellon University in Pittsburgh who has studied the assassination theories, said that Mr. Oswald was "an amazingly suspicious character," and that it was "possible to believe most anything about him and damned near impossible to know what's true."

One thing that the public has come to believe about him is that he did not act alone. For the last two decades, opinion polls have found rejection of the Warren Commission's findings.

According to a recent New York Times-CBS News Poll,

66 percent of Americans believe there was a conspiracy to kill Mr. Kennedy, as against 13 percent who believe Mr. Oswald was alone responsible and 21 percent who express no opinion.

Sixty-one percent agree that there has been an "official cover-up to keep the public from learning the truth about

"It does not seem likely that these mysteries will ever be solved."

Louis Stokes, who led a congressional inquiry into the assassination.

the Kennedy assassination." And nearly half, 46 percent, believe it would now be impossible to establish the full truth about the president's death.

Mr. Oswald, one of the most curious assassins in the annals of crime, was a 24-year-old former Marine who had traveled to the Soviet Union in 1959 and did not return home for more than two years. He was a fervent supporter of Fidel Castro, the Cuban leader, who, it was later learned, had been made a target for assassination by the CIA. Shortly before the shooting of Mr. Kennedy, Mr. Oswald had visited Mexico in an effort to secure a visa from the Cuban Embassy for travel to Cuba.

The public's belief that he had accomplices was selected in 1979 by Mr. Stokes' panel, the House Select Committee on Assassinations, which concluded after a two-year inquiry that Mr. Kennedy was "probably assassinated

sinated as the result of a conspiracy." The finding was based largely on the results of an acoustical examination of the assassination site that indicated a second gunman.

But the panel found no strong evidence to link Mr. Castro to the shooting.

Many conspiracy theorists agree that although the Cuban leader knew he was a CIA target and may have wanted to strike back against the president, he would not have used an unstable assassin like Mr. Oswald.

Mr. Stokes traveled to Cuba as part of his panel's investigation and met with Mr. Castro. "I asked him directly whether he was involved in the assassination," the congressman said in a recent interview. "And he told me, 'Listen, I would have to kill the president of the United States. They would wipe my little country off the face of the Earth.'"

For many of the same sorts of reasons, the committee also ruled out involvement by the Soviet Union and other foreign governments. And it discounted rumors that the FBI might have been involved.

The panel instead suggested that the culprits might have — but had not necessarily — included organized crime figures like Carlos Marcello, the leader of the New Orleans Mafia, and James R. Hoffa, then the president of the International Brotherhood of Teamsters. Mr. Hoffa had been known to associate with Mafia leaders and he was a particularly bitter foe of Attorney General Robert F. Kennedy, the president's brother.

The finding was based in part on evidence that tied both Mr. Oswald and Jack Ruby, the Texas nightclub owner who gunned down Mr. Oswald two days after the Kennedy assassination, to organized crime.

Mr. Oswald was the nephew of a New Orleans bookmaker associated with the New Orleans crime network run by Mr. Marcello. Mr. Ruby had been involved with the Mafia since his childhood in Chicago and had been linked to Mr. Marcello and another underworld leader, Santo Trafficante of Tampa, Florida.

Mr. Marcello, who is still alive and has denied involvement in the Kennedy assassination, had a long-running feud with the Justice Department and with Robert Kennedy, who had vowed to crush the American Mafia and had singled out Mr. Marcello.

By eliminating President Kennedy, the theory goes, the Mafia could remove his brother from power at the Justice Department. The theory holds that John Kennedy was a more inviting target for assassination than Robert Kennedy since the president, if he remained alive, would be likely to appoint a new attorney general with a comparable distaste for the Mafia.

And Mr. Ruby was ordered to silence Mr. Oswald, according to the theory, because of concerns that Mr. Oswald was unstable and might disclose the conspiracy to investigators.

The House panel's assertion of a conspiracy was bolstered by testimony from acoustics experts who said an audiotape from the site of the assassination strongly indicated that there had been at least two gunmen.

But that assessment has since been disputed. In 1982, a panel of the National Academy of Sciences found that the tape did not support findings of a second gunman. The panel said that noises earlier identified as gunshots were probably nothing more than police radio static.

## Why Sununu? Aides Say Bush Felt He Needed a Battle-Ready Politician

By David Hoffman  
Washington Post Service

WASHINGTON — On Election Day in Houston, George Bush told his closest advisers that he wanted the departing governor of New Hampshire, John H. Sununu, to be his White House chief of staff.

You want someone who's run for sheriff," Mr. Bush said, according to several participants.

The desire for a politician who has run for office and for someone with stature was the driving force behind Mr. Bush's choice of Mr. Sununu, aides say. It explains why he passed over his current chief of staff, Craig L. Fuller, who preferred a low-key devotion to process rather than the rough and tumble of political combat.

"There was a difference in stature," said a long-time Bush associate familiar with the decision. "In this particular environment, with the Democratic gains in Congress, we needed someone with stature," the associate said, someone who can call up Jim Wright, the speaker of the House, and command attention.

Another person who has worked closely with both Mr. Fuller and Mr. Sununu said Mr. Bush "truly believes that anyone who's had an elected office has an edge in politics and government."

The sources said this view was shared by Richard G. Darman, a

close associate of Mr. Baker who worked in the White House with Mr. Fuller during Mr. Reagan's first term and with Mr. Teeter during the Bush campaign. Mr. Darman is considered the leading candidate to be Mr. Bush's budget director.

The troika idea was in full swing within 24 hours of the election. Mr. Baker, according to sources, spoke to Mr. Teeter and Mr. Fuller about it and also tried to sell the idea to the president-elect. Mr. Baker suggested that Mr. Fuller serve as deputy chief of staff, pointing out that Michael K. Deaver had wielded considerable influence with the same title in Mr. Reagan's first term.

But the plan ran into one problem: the three people involved while part of the team that helped Mr. Bush get elected, did not want to work together in the way Mr. Baker envisioned.

Mr. Fuller, 37, a former public relations executive who joined the Reagan White House in 1981 as cabinet secretary, served as the senior traveling adviser to Mr. Bush during the campaign. He said he told Mr. Bush on Oct. 25 that after eight years in government he was thinking about looking for a job in business. Mr. Fuller said he told Mr. Bush that the White House

chief of staff was the one job for which he would remain in government.

Mr. Teeter, 49, was apparently not enamored of the troika idea.

But people who know him say he may still go to work in the Bush White House. Mr. Teeter was instrumental in shaping the themes of the Bush campaign this year and may oversee policy development in

after the transition.

Mr. Sununu, who was instrumental in helping Mr. Bush win the crucial New Hampshire primary, had left no doubt that he did not want to come to Washington for a subordinate role and had said he would not accept a cabinet post.

"If there's one election that real-



Mr. Sununu signaling a positive reaction to Mr. Bush's comments.

## BACK BY PUBLIC DEMAND

During October the Fur House held a series of exclusive fur sales throughout Switzerland. High fashion furs were offered at incredible low prices so sensational was the demand virtually every item of stock was sold. We promised disappointed customers that we would return in November.

## TOP QUALITY HIGH FASHION FURS

## DIRECT FROM THE FACTORY

## YOUR OPPORTUNITY TO PURCHASE A SUPERIOR QUALITY FUR AT A ONCE IN A LIFETIME PRICE

The Fur House is one of Britain's largest furriers and manufacturers we are able to offer these superb furs to the public direct from the factory prices. Because there are no agents, or retailers between us and our customers the savings are enormous.

It really is the opportunity of a lifetime.

HERE JUST A FEW EXAMPLES:

FOX JACKETS	\$199
FUR LINED RAINCOATS	\$197
STRIPPED MINK JACKETS	\$330
STRIPPED MINK COATS	\$633
FULLY STRANDED 'SAGA' MINK COATS	\$1,967
FEMALE MINKS	\$3,300
HIGH FASHION MINK COATS	\$3,967
SILVER FOX 3/4 LENGTH JACKETS	\$567
SILVER FOX COATS	\$3,330

PLUS! LANVIN, VALENTINO, OSCAR DE LA RENTA COATS & JACKETS AT HALF NORMAL BRITISH RETAIL PRICES

ALL FURS ARE GUARANTEED

## GENEVA

Saturday 19th November  
INTERCONTINENTAL HOTEL  
7-9 Chemin du Petit - Saconnex 12-11, Geneva, Switzerland  
SATURDAY 10am-4pm

## BASLE

Monday 21st November 10am-7.30pm  
HILTON HOTEL  
Aeschengraben, 31-4002, Basle, Switzerland

## ZURICH

Wednesday 23rd November & Thursday 24th November  
PULLMAN CONTINENTAL  
Stammlenbachstrasse 60-8035, Zurich, Switzerland  
WEDNESDAY 10am-7.30pm, THURSDAY 10am-4pm

## LUGANO

Friday 25th November & Saturday 26th November  
GRAND HOTEL EDEN  
Riva Paradiso, 7-6900, Lugano-Paradiso  
FRIDAY 10am-7.30pm, SATURDAY 10am-5pm

## WIN \$55,000,000

## That's Fifty-Five Million U.S. Dollars!

THE FLORIDA LOTTERY  
U.S.A.'s BIGGEST  
Pick Your Own Numbers  
Play Lotto 6/49  
Get Rich in America's Biggest Lottery

Millions of U.S. Dollars are won regularly playing the World Famous Florida Lottery. In fact, the Florida Lottery has AWARDED MILLIONS OF DOLLARS to people who have won — including its biggest Jackpot of U.S. \$55,000,000. Imagine all the things you could do and enjoy with \$55,000,000. People from all over the world go to Florida just to play the Lottery. Now, you too can play the World's Greatest Lottery and win a MULTI-MILLION DOLLAR JACKPOT.

## Playing Lotto 6/49 is Easy

Lotto is the World's most popular form of lottery. The Official Florida version is called Lotto 6/49 and is FULLY BACKED BY THE GOVERNMENT. Each week one draw is held in public — under strict supervision in Florida. Lotto 6/49 is easy to play. You pick your own number by selecting any 6 of 49 possible numbers from 1 to 49. It's that simple. The numbers you select are entered in the Lotto 6/49 Computer System and if they match the same numbers in the draw — YOU WIN THE JACKPOT. Even if you didn't select all six numbers, you could still be a winner! If you have only 3, 4, or 5 numbers correct, you win one of the thousands of other prizes.

## Here's How You Can Play

All you have to do is

## AMERICAN TOPICS

### Cloning May Bring Perfect Yule Trees

Cloning of Christmas trees by the millions may be the answer to heavy competition from plastic trees, which shed no needles and can be stored away to rise again year after year. The New York Times says as many as one-third of all trees decked out in holiday finery this year will be artificial.

For consumers, the perfect tree must be conical and straight, with branches that lift at a 45-degree angle, and thick needles that hide the trunk and do not fall off to litter the living room floor. For the producer, the perfect tree should attain full growth rapidly, in about seven years, and resist pests.

Growers are increasingly looking to laboratory techniques to produce a tree that will grow at a uniform rate and permit mass harvesting. Cloning is one of the most promising methods: a tree with all the desirable characteristics is found and a piece of it—a bud, for example—is treated in the laboratory to reproduce an exact genetic copy of the parent. But so far, said Dr. Dan Keathley, associate professor of forest genetics at Michigan State University, "we have not been able to get the efficiency up to a commercial level that is cost-effective."

### Short Takes

Sweet Briar College in Virginia is observing the 40th anniversary of the postwar Junior Year in France program for American college students. The program began in 1923, sponsored by the



**The Flawless Christmas Tree**

- Straight trunk
- Thick two-inch needles hide trunk
- Limbs angle upward at 45 degrees
- Uniform conical shape tapers upward at 35-45 degrees

A new electronic toll system that will "read" a special automobile tag may help motorists whiz by toll booths. The number of times a vehicle goes through the toll gate would be recorded by computer and a monthly bill charged. The system, called automatic vehicle identification, or AVI, uses a radio frequency beam transmitter mounted in each lane that will read a serial number from a tag mounted on each vehicle. Dallas is experimenting with the system and New York City plans to try it as well.

A bronze bust of the late actor James Dean has been put up at the Griffith Observatory in Los Angeles, near statues of Copernicus and Sir Isaac Newton. A long sequence of Dean's first starring role, in the film, "Rebel Without a Cause," took place at the observatory. The bust was donated by its creator, Kenneth Kendall, who fashioned it 33 years ago at the actor's request. Dean was killed in a car crash at the age of 24 before the bust was completed.

At an indoor ice-skating rink in Englewood, New Jersey, Karen Sadock, a New York Times reader, overheard this conversation near a row of video games:

*Mother:* Scott, please come away from there. We do not play video games.

*Son:* Mom, why not, Mommy?

*Mother:* Because we're fuddy-duddies, dear.

Arthur Higbee

### 'Amos 'n' Andy' Comment Regretted by Congressman

New York Times Service  
WASHINGTON — Robert H. Michel, the House Republican leader, has apologized for nostalgic remarks about minstrel shows and the "Amos 'n' Andy" radio program that have been criticized as racially insensitive.

In a television interview over the weekend, the congressman from Peoria, Illinois, recalled those entertainments with fondness and also suggested that attempts to replace racially offensive language in songs amounted to an effort to revise an aspect of American culture. But in a statement this week he said: "I realize there is no excuse

for my remarks. My regret is even more profound because I believe my public record of over 32 years as a congressman is without the slightest blot of bigotry or racial sensitivity."

On Tuesday, the chapter of the National Association for the Advancement of Colored People in Peoria called for Mr. Michel to resign. The group's national headquarters issued a reprimand.

"I find it shocking," said Benjamin Hooks, the national executive director, "that he would express a nostalgic yearning for symbols that he himself recognizes are considered demeaning by many people."

### Quayle Vacancy Won't Go to Wife

Reuters  
WASHINGTON — Marilyn Quayle said Friday that she was not interested in the Senate seat from Indiana being vacated by her husband, Vice President-elect Dan Quayle.

There had been speculation that Mrs. Quayle, a political conservative, might be named to the seat.

Mrs. Quayle discussed the matter on Thursday with Governor Robert Orr of Indiana, a Republican, who will pick a successor when Mr. Quayle leaves the Senate. "I have informed Governor Orr that I am not interested in being appointed to fill my husband's seat in the U.S. Senate," she said.

### A U.S. Warning on Aspirin

The Associated Press  
WASHINGTON — The Food and Drug Administration has proposed requiring labels for aspirin that would warn pregnant women against taking the pain reliever during the last three months of pregnancy because of the threat of bleeding.

The government of Israel, Jewish-American organizations, and U.S. labor defended Israel's record

## Pentagon Gives Reagan Final Options List for Disputed Soviet Radar

By R. Jeffrey Smith  
*Washington Post Service*

WASHINGTON — The Defense Department has given President Ronald Reagan a final report on military options that he could pursue because the Soviet Union refuses to destroy a party completed radar in eastern Siberia, according to senior U.S. officials.

But Secretary of Defense Frank C. Carlucci also expressed reservations about carrying out the options, which include the deployment of more missile-firing submarines and new missile defenses, without first renewing efforts to reverse the Soviet decision, the officials said.

"We prepared the list as requested," a knowledgeable official said. But he added that officials viewed some of the options as having "some very unattractive aspects."

The options on the list that seemed genuinely useful were too expensive, another senior administration adviser said, "and everything else does not appear to make sense."

One option, which calls for reverting the planned retirement of several aged Poseidon submarines, would cost nearly \$1 billion, the officials said.

Another option, calling for accelerated testing and development of a limited defense against Soviet ballistic missiles, would cost additional billions, as would widespread deployment of nuclear warhead decoys designed to fool any possible Soviet missile defense.

The State Department advised against the options after reviewing a draft version of the report last week. It argued that the immense radar near the city of Krasnoyarsk posed no immediate military threat to the United States. The department instead recommended that the administration emphasize its longstanding demand that U.S. concerns be resolved before signing a new accord reducing strategic nuclear arms.

Officials at the White House and the Soviet Embassy in Washington have expressed interest in settling the dispute through negotiations, despite public declarations of an impasse after a three-day negoti-

ation session in Geneva two weeks ago.

The administration has previously insisted that the radar and its concrete foundation be destroyed because it is capable of providing early warning of a U.S. missile attack, but was not located on the nation's periphery as required by the 1972 Anti-Ballistic Missile Treaty.

At the recent talks, a Soviet delegation dominated by military officials disappointed a U.S. delegation led by William F. Burns, director of the Arms Control and Disarmament Agency, by promising instead to complete the radar and allow continuous, international inspection of its operation by civilian scientists. Mr. Burns rejected Soviet assertions that the radar could be used only to track space objects, a permitted activity under the Anti-Ballistic Missile Treaty.

U.S. officials said administration experts have reached a consensus on the acceptability of Soviet measures that fall short of destruction. But one noted a willingness to study any alternative that would seriously complicate future use of the radar to monitor a U.S. missile attack, including putting a thick layer of concrete over the radar's face or replacing its existing transmitter with a device capable only of peering into space.

The foundation's report, made public Thursday, sketched this portrait of what it calls the "forgotten half": "Their lives as adults start in the economic limbo of unemployment, part-time jobs and poverty wages. Many of them never break free."

Mr. Howe added at a news conference Thursday: "Noncollege youth have shaky launching pads for their young lives." He said that the young people in the United States, in its own interests, must stop thinking of these youths as "second-rate or a generation of misfits."

Samuel Halperin, the study director, added: "Neglect of this segment is undermining the skills and productivity of the future labor force of this country, and therefore its future living standards. Too many people are not equipped to work. In our own selfish interests, they shouldn't be consigned to the trash heap."

The blue-ribbon panel called on the government to commit \$5 billion a year in new funds over the

## 'Forgotten' American Youth Millions Lacking College Slip Into 'Economic Limbo'

By Spencer Rich  
*Washington Post Service*

next 10 years to enlarge Head Start, the Job Training Partnership Act, the Job Corps and the Chapter I program to provide remedial education for disadvantaged children.

In addition, it recommended \$250 million a year to create "Fair Chance," a widespread system of demonstration projects combining various community organizations in programs to provide guidance and local "mentors" for low-income youth.

The report also called for volunteer programs to involve poor and affluent youth in community-service projects that would help their own development, self-confidence and capacity to work.

President-elect George Bush proposed a community-service youth-volunteer program on Oct. 4 with \$100 million in federal grants to be matched by private money.

In an era when jobs increasingly require more skills and are becoming more complex, lack of adequate education, poor income, health care and child-care aid are major barriers to advancement, the report said.

It said these factors were part of the reason — along with a general productivity slowdown since 1973 and a reduction in high-paying manufacturing jobs — why inflation-adjusted wages of non-college youth dropped sharply from 1973 to 1986.

The report said average annual earnings of young men aged 20 to 24 who had not finished high school dropped 42 percent from 1973 to 1986 after accounting for inflation. Earnings dropped 28 percent among youths who had finished high school, but gone no further, according to the report.

By contrast, the income of college graduates remained essentially the same after accounting for inflation.

Over the same period, the report said, the proportion of all families headed by a person under 25 that fell below the government's official poverty line jumped from one-sixth to one-third.

## Make Israel Pay Tariffs, Groups Tell U.S.

By Stuart Auerbach  
*Washington Post Service*

WASHINGTON — Reagan administration trade officials have heard arguments from Arab-American organizations that Israel's treatment of Palestinian workers in the occupied West Bank warrants that Israeli products should lose duty-free entry into the United States.

This is the first test of Israel's human rights record under U.S. trade laws, which require countries with duty-free access under the Generalized System of Preferences, or GSP, to follow international norms for workers' rights. The administration also is reviewing the labor practices of Syria, Malaysia, Burma, Haiti and Liberia.

The arguments were made

Thursday at a hearing conducted by the U.S. Trade Representative's office.

The hearing was opposed by

the State Department on the

ground that it appeared to legitimize Israel's occupation of the West Bank.

The government of Israel, Jewish-American organizations, and U.S. labor defended Israel's record

on workers' rights and asserted that many Palestinian unions are fronts for terrorists and the Palestine Liberation Organization.

"Israel is pretty confident that this play by the American-Arab Anti-Discrimination Committee will prove to be another futile exercise in propaganda," said Yossi Gal, press attaché at the Israeli Embassy. "This is just another attempt to embarrass Israel."

Israel sent nearly \$300 million in duty-free products to the United States under the Generalized System of Preferences program last year. In addition, it benefits from a free-trade pact with the United States concluded two years ago, but tariffs will not be lifted under that agreement for another six years.

By coincidence, U.S. trade officials had just completed a review of the free-trade pact and say they believe they have reached a settlement in which Israel would remove a series of special taxes that were seen as discriminating against American products. But no formal agreement is likely to be ratified and signed until Israel forms its new government, U.S. officials said.

representing the Anti-Defamation League of B'nai B'rith.

He said the unions that have been restricted by Israel have engaged in political activities. "A number of unions are mere covers for terrorists, the PLO," he added.

David Tversky of the Jewish Labor Committee said Israel's treatment of unions complies with requirements of the International Labor Organization.

Mohammed Rashid al-Rashid, secretary-general of the Drivers and Mechanics Union in East Jerusalem, told the hearing that Israel restricts his union's ability to communicate with its members and harasses union officials at their office.

Another union leader, Khalil Touma of the General Federation of Trade Unions in the West Bank, said that leading union activists had been deported by Israeli military authorities and that others had been restricted to their towns.

These actions against unions have intensified since the West Bank uprising started a year ago, he said.

Israeli officials and U.S. labor and Jewish organizations attacked this testimony. "It is another coordinated Arab effort to drive a wedge between the United States and Israel," said Meyer Eisenberg,

representing the Anti-Defamation League of B'nai B'rith.

He said the unions that have been restricted by Israel have engaged in political activities. "A number of unions are mere covers for terrorists, the PLO," he added.

Rudy Oswald, director of economic research for the AFL-CIO, the largest U.S. labor federation, said that it is AFL-CIO's view that "the investigation of Israel for workers' rights abuse is a grave mistake which obscured the purpose and intent of the law."

Mr. Oswald continued: "Israel, a country whose Arab citizens enjoy rights they dare not even dream of in most Arab states, is in the dock, yet while workers' rights violations of such countries as Indonesia, Thailand and Turkey are not even to be examined."

## Suddenly, Italians Discover Pollution

By Roberto Suro  
*New York Times Service*

MANFREDONIA, Italy — In response to a series of environmental emergencies, angry and sometimes violent crowds have taken to the streets of several Italian cities recently to express what they call "the rage of the poisoned."

As Italy belatedly discovers that much of its air and water is severely polluted, the government has quickly begun adopting clean-up plans in the face of demands for more ambitious action to prevent future disasters.

This little Adriatic port has been the scene of the most dramatic protests. The doors of Manfredonia's city hall have been set afire, mobs have set up roadblocks sealing off the town for as long as three days and terrorist bombs have been set off near the petrochemical plant that has aroused so much anger.

Elsewhere, general strikes and other forms of protest have compelled the government to change plans for the handling of toxic wastes, and Parliament is now considering a completely redesigned energy policy because of an overwhelming vote against nuclear power plants in a national referendum last year.

"We are very, very late in concerning ourselves with pollution," Environment Minister Giorgio Ruffolo said in an interview in his Rome office, "because for decades we have been obsessed with achieving

the maximum economic growth possible in the minimum amount of time."

"Meanwhile," he added, "environmental problems have built up along with popular dissatisfaction and now both are exploding."

According to Antonia Coderna, an independent leftist member of Parliament, a dramatic cultural

change is taking place in Italy, where "the whole national territory is considered no-man's-land, something to be used and manipulated by whoever gets there first."

"The problem," Mr. Ruffolo said, "is that everyone wants material wealth and a clean environment, but no one wants to pay the price because most Italians are happy so long as the pollution is somewhere else."

Battles over environmental protection have been fought in the rest of Europe for years and even decades, but nowhere so suddenly as in Italy.

For instance, nearly five years

ago, the government has already been accused of lacking commitment to its most ambitious project, a 10-year plan to clean up industrial, agricultural and urban pollution of the Po River basin. After approving the plan, the cabinet cut half the financing for the first year's work from the 1989 budget.

Mr. Ruffolo argues that money itself is not important, reporting that after an aggressive building program, half of Italy's sewage treatment plants do not function properly because of mismanagement. His strategy is to exploit Italy's fear of environmental crisis by taking measures that "depart from

the government has already been accused of lacking commitment to its most ambitious project, a 10-year plan to clean up industrial, agricultural and urban pollution of the Po River basin. After approving the plan, the cabinet cut half the financing for the first year's work from the 1989 budget.

Having essentially defeated that plan, newly formed citizens' committees raised the stakes by demanding that the plants be shut down because of past contamination problems.

The plant was built in Manfredonia in 1972 because of demands that traditionally poor towns like this port of 57,000 inhabitants get their share of Italy's industrial wealth.

Opposition, however, came from the ports ordered to receive ships carrying toxic wastes.

Protests were staged in Genoa, Livorno and Ravenna, but no city reacted as strongly as Manfredonia, where a load of wastes was supposed to be unloaded and catalogued at the petrochemical plant run by Enichem Agipola, a privately owned company, before being sent elsewhere for treatment.

Having essentially defeated that plan, newly formed citizens' committees raised the stakes by demanding that the plants be shut down because of past contamination problems.

The plant was built in Manfredonia in 1972 because of demands that traditionally poor towns like this port of 57,000 inhabitants get their share of Italy's industrial wealth.

Having essentially defeated that plan, newly formed citizens' committees raised the stakes by demanding that the plants be shut down because of past contamination problems.

The plant was built in Manfredonia in 1972 because of demands that traditionally poor towns like this port of 57,000 inhabitants get their share of Italy's industrial wealth.

Having essentially defeated that plan, newly formed citizens' committees raised the stakes by demanding that the plants be shut down because of past contamination problems.

The plant was built in Manfredonia in 1972 because of demands that traditionally poor towns like this port of 57,000 inhabitants get their share of Italy's industrial wealth.

Having essentially defeated that plan, newly formed citizens' committees raised the stakes by demanding that the plants be shut down because of past contamination problems.

*an Youth***Economic Limbo'**

By Daniel Southerland  
Washington Post Service  
enlarge Head Start, the Job Corps and the Child Abuse Prevention Fund to provide remedial education to children.

A recommended \$250 million a year in projects combining various actions in programs to provide "memory" for low-income youth and called for volunteer programs that would help their own development. George Bush proposed a one-year volunteer program on the job in federal grants to be made available to young people.

hen jobs increasingly require action, poor income, health care, and other factors to advance.

These factors were part of the reason for general productivity slowdown in high-paying industries. Inflation-adjusted wages dropped sharply from 1973 to 1982, average annual earnings down 20 to 24 who had not finished school 20 percent from 1973 to 1982.

But development has been uneven in China. A 5,000-kilometer (3,000-mile) trip through two provinces illustrates the contrasts between the country's rich and poor.

Beijing is now trying to regain some economic control from the

one period, the report said, the families headed by a person under the government's official poverty line from one-sixth to one-third.

**Trade Pact Is Defended By Thatcher**

Washington Post Service

**WASHINGTON** — Prime Minister Margaret Thatcher of Britain has vigorously defended the U.S.-Canada Free Trade Agreement, saying that it would be a "great blow" to world trade if the agreement were rejected by Canada and that rejection could severely damage Canadian credibility in future negotiations.

At the end of her visit to Washington, Mrs. Thatcher said in an interview that the consequences of the agreement not going ahead would be "very considerable."

Asked if it would be a blow to world trade, she replied, "When a country has gone in good faith to negotiate a major agreement with another country, it would be a blow if that agreement were not ratified."

Rudy Oswald, director of economic research for the AFL-CIO, the largest U.S. labor federation, said that it is AFL-CIO's "the investigation of workers' rights abuse is a mistake which obscures the pose and intent of the law."

Mr. Oswald continued:

"The country whose Arab citizens' rights they dare not overlook in most Arab states, is better, while workers' rights are those of such countries as Thailand and Turkey are to be examined."

Opposition, however, to the ports ordered to move the ports ordered to move carrying toxic wastes.

Protests were staged at Luozuo and Ravenna, but reacted as strongly as India, where a load of waste was supposed to be unloaded at the port of Enichem Agro, a company, before it was sent elsewhere for treatment.

Having essentially no plan, new flights raised the specter of mandating that the planes down because of plane problems.

The plant was built in 1972 and traditionally paid about 50 percent of its share of Italy's wealth.

There are about 180 flights a week between Europe and Bangkok and Hong Kong.

In Hong Kong, an executive of Cathay Pacific Airways said that the flight from Beijing to Moscow to consider opening shorter routes between the Hong Kong and Europe through Chinese and Soviet air space must be seen as part of their warming relationship because the Sino-Soviet border has been a blocked door for a long time."

When the last discussion of such routes took place, at a regional air navigation meeting in Singapore in 1983, China and the Soviet Union both opposed the plan.

In London, a spokesman for British Airways said that "in the last 12 months, with the relaxation in attitudes between China and the Soviet Union, these straight-through overflight paths to and from Hong Kong have become a real possibility."

Since 1987, there have been substantial troop reductions along the Chinese-Soviet frontier, cross-border trade has increased and agreements have been reached on demarcating disputed sections of the frontier.

Many of the flights between Eu-

**Beset by High Inflation, China Struggles to Rein In a Runaway Economic Success**

By Daniel Southerland  
Washington Post Service

in Chashan Township, China — Lin Xiaojuan, a factory director and Communist Party member, hung a sweatshirt with a heart. Her workers toil long and hard at what would be considered paupers' wages elsewhere in the world to produce thousands of Roger Rabbit dolls each week for the U.S. market.

Although the workers labor harder than those in other state-owned enterprises elsewhere in the country, their benefits far exceed those of most Chinese workers.

This relatively small factory, which operates in many ways like a capitalist enterprise, and thousands of others like it have made Guangdong Province the top exporter in China.

The 65 million people in the province are China's richest, Ramifications and unorthodox, they are China's leading consumers and spenders. They live in a freewheeling world that has resulted from the economic program of the Communist Party leadership.

But development has been uneven. A 5,000-kilometer (3,000-mile) trip through two provinces illustrates the contrasts between the county's rich and poor.

Beijing is now trying to regain some economic control from the

provinces and curb consumption, but it is having difficulty. Its inability to do so has caused what Chinese leaders call economic and social chaos, and a lowering of living standards for millions.

Beijing's quandary is visible in Guangdong, where more than a year ago the Communist Party leader, Zhao Ziyang, seized on the idea of making the successful province a model for the entire Chinese coast and its 150 million to 200 million people. Because of various factors, including a sense of control, the plan has been quietly de-emphasized.

For Beijing, the fact that nearly everyone in Guangdong listens more to nearby Hong Kong than to the capital is part of the problem.

Even this relatively tiny township of Chashan, surrounded by rice fields, is more in touch with the rest of the world than it is with Beijing. The township is situated about 50 miles from Hong Kong, while Beijing is 1,200 miles to the north in a region where ways of speaking and thinking differ greatly from those of Guangdong.

"Their basic attitude is that they don't need the central government anymore," said a Western economist who visited Guangdong.

They can tap money from all over

the world, and they can get it from other provinces."

"They pay attention to what the market wants," he said. "not Beijing."

The real struggle in China now,

he said, is not the fight against inflation but Beijing's battle to control regional powers.

Most people in Guangdong

Province were considered poor 10 years ago. But their fortunes improved in the late 1970s with the start of major agricultural changes.

The government broke up communes and allowed farmers to make many of their own decisions.

It also gave them the right to sell some produce on the free market.

As a result, rural incomes in China rose from about \$1,700 in 1978 to

1982. In Guangdong, the changes have been more remarkable than in most parts of China. Peasant income in Guangdong reached more than 600 yuan (\$161) a year in 1987, compared with a national average of 463 yuan. Those farmers

who took on factory jobs — five million farmers in Guangdong — have done so — bolstered their average incomes to more than 2,000 yuan.

The Chinese have long considered anyone in their country who makes more than 10,000 yuan, about \$2,700, a year, to be rich.

The county in which Chashan is



**Guangdong is China's most prosperous province, but critics say wealth is merely widening the gap between rich and poor.**

up to \$100 a month, she can earn several times that amount. not want to kill its "golden goose," it does want to rein it in.

With half of the foreign investment funds entering China going to Guangdong, the government must act with care.

The government has also realized that its plan to use Guangdong as a model for the coast cannot be carried out now. With increased automation, labor is no longer the major factor it once was in production costs. Labor in China, much of it inefficient, is often not cheap when the cost of productivity per person is calculated. And Guangdong's close ties with Hong Kong give it advantages over other cities.

Many businessmen who come here from Hong Kong to invest in Dongguan County and provide it with vital technological know-how were born in China but fled to escape poverty and communism. Today, no one holds that against them; they and the capitalistic management techniques they practice are warmly welcomed.

Also welcomed are laborers brought in from other parts of the country. Because Lin Xiaojuan's sales are brisk, her Chashan township factory is constantly short of workers to meet the American demand for dolls. Young workers come from as far as 800 miles away to labor there.

For Beijing, the biggest problem is that for years to come, the economic divide between the coast and the interior will grow rather than narrow, creating new strains in a country that is already suffering from a sizable gap between rich and poor.

Monday: The poor provinces fall further behind.

**Trade Pact****Is Defended****By Thatcher**

Washington Post Service

**WASHINGTON** — Prime Minister Margaret Thatcher of Britain has vigorously defended the U.S.-Canada Free Trade Agreement, saying that it would be a "great blow" to world trade if the agreement were rejected by Canada and that rejection could severely damage Canadian credibility in future negotiations.

At the end of her visit to Washington, Mrs. Thatcher said in an interview that the consequences of the agreement not going ahead would be "very considerable."

Asked if it would be a blow to world trade, she replied, "When a country has gone in good faith to negotiate a major agreement with another country, it would be a blow if that agreement were not ratified."

If Canada should repudiate the pact, Mrs. Thatcher said, "it would be very difficult for any prime minister of Canada to go and negotiate another agreement with another country."

She added, "If you've done a prolonged negotiation and you're not prepared to do everything you can to see that goes into legislative form with all the working systems et cetera, then how can you ever negotiate again?"

In earlier remarks at a press conference, Mrs. Thatcher said she saw no similarity between Canadian reluctance about approving the U.S. trade pact and the British attitude about accepting full integration into the West European economy after 1992.

His greatest success was after disclosures last year that Italian companies were Third World nations to incite wastes that were left in dangerous dumps.

In the midst of the scandal, Ruffolo persuaded the government to issue an emergency decree not only outlawed the dumping of wastes to nations unable to handle them properly but established Italy's first environmental protection plan to deal with the opposite direction.

In recent months, several international flights have been delayed or diverted because of military operations in the air over Afghanistan, where fighting has stepped up between government and Afghan forces, airline officials said.

There have also been delays caused by communication problems between air traffic controllers in Afghanistan and Pakistan.

A longstanding dispute between Pakistan and India has closed the airspace over Kashmir to planes flying between Europe and Bangkok or Hong Kong, adding nearly half an hour in flying time to the trip, air transport officials said.

One official estimated that this delay alone cost operators \$50 million a year in extra fuel and payload losses.

There are about 180 flights a week between Europe and Bangkok and Hong Kong.

In Hong Kong, an executive of Cathay Pacific Airways said that the flight from Beijing to Moscow to consider opening shorter routes between the Hong Kong and Europe through Chinese and Soviet air space must be seen as part of their warming relationship because the Sino-Soviet border has been a blocked door for a long time."

When the last discussion of such routes took place, at a regional air navigation meeting in Singapore in 1983, China and the Soviet Union both opposed the plan.

In London, a spokesman for British Airways said that "in the last 12 months, with the relaxation in attitudes between China and the Soviet Union, these straight-through overflight paths to and from Hong Kong have become a real possibility."

Since 1987, there have been substantial troop reductions along the Chinese-Soviet frontier, cross-border trade has increased and agreements have been reached on demarcating disputed sections of the frontier.

Many of the flights between Eu-

**CANADA: High Stakes on Trade**

(Continued from page 1)  
have the world's largest two-way trading relationship.

Trade in goods and commodities totaled \$131 billion last year, and that does not include the value of services, which is more difficult to measure.

Canadian critics say it would turn Canada into a virtual colony of the United States and would endanger Canada's network of social programs, including health insurance and old-age pensions.

They also say that the bulk of Canadian exports already enter the United States tariff-free, and that the trade pact would not go far enough to protect the environment.

Proponents of Washington and in Canada assert that the trade pact is essential to building an even greater economic partnership between the two countries.

"If Canada now turns around and rejects it, and if they come forward with a proposal in another area like acid rain, it would be a bit more difficult. Americans may think: 'Here they come again. We listened to their entreaties on trade; they backed down and said no. How can we be sure they'll follow through?'

American officials and academic experts spoke more in sorrow than anger about the possibility that Canada might reject the trade agreement.

"When the bilateral relationship does not go well, the Canadians tend to separate, independent, and sometimes even arbitrary directions in their foreign policy," said Lansing Lamont, director of Canadian affairs at the Americas Society in New York, a forum for discussion of Western Hemisphere affairs.

If Canada rejects the pact, he said, "there are a lot of areas where both countries might decide to flex their nationalist or independent feelings."

Members of Congress and academic experts predicted also that there would be increased pressure for protection of domestic industries in the United States and Canada if the pact dies.

Senator John Glenn, Democrat of Ohio, said the agreement would not rest on securing new opportunities to export California wine, West Virginia coal, and Oregon lumber, not mention computers, telecommunications equipment, and countless types of fruits and vegetables.

Senator John H. Chafee, Republican of Rhode Island, has praised the PNC's acceptance of UN Resolution 242.

The United States has so far said it welcomes the PNC's recognition of the UN resolution, but has refused to recognize the declaration of a Palestinian state.

■ East German Recognition

The East German press agency ADN said that an East German Foreign Ministry official delivered a note recognizing the proclaimed Palestinian state to the PLO's "accredited ambassador" in East Germany, Isam Kamel Salem, The Associated Press reported.

The note was an attempt by Heinrich-Dieter Winter, deputy minister for foreign affairs, the agency said.

East Germany has been a strong supporter of the PLO and has never had diplomatic relations with Israel.

East German officials last month told a delegation of the World Jewish Congress that they were considering new routes planned through China and the Soviet Union.

Since the proposed great-circle

routes through China and the Soviet Union are the shortest airways between Britain, Europe, Hong Kong, eastern Australia and New Zealand, airlines from all those areas are watching the outcome of negotiations closely.

Mr. Wazirzada said that once the new routes were established, airlines of all countries that had diplomatic relations with the Soviet Union and China could gain overflight rights for agreed fees.

But landing rights in either of those countries, Hong Kong or Europe, would involve negotiations for reciprocal rights.

In 1983, there were only 14 nonstop flights a week between Europe and Southeast Asia via the Soviet Union and Afghanistan. All were between Copenhagen and Bangkok. Today, the officials said, there are about 210 nonstop flights a week on the same route linking European cities with New Delhi, Bangkok, Singapore and Hong Kong.

The two new more-direct routes that are under study run northwest from Hong Kong across China to Hainan in Sichuan Province near the border with the Soviet Union.

They would divide, with one route running northwest to Novosibirsk in Soviet central Asia and the other heading almost due west to Alma Ata. From Novosibirsk, aircraft would connect with an existing flight path over the Soviet Union to destinations in northern Europe.

The tests were not conducted on the days immediately preceding a woman's menstrual period, when many women report mood changes. "The cognitive changes we see are not attributable to mood changes," Dr. Kimura said in an interview. "They are not related to any kind of premenstrual syndrome."

The basic intellectual pattern of human male and female brains is probably present before birth," she added. "There is a tendency for males to be better at spatial tasks while women are better at certain kinds of motor tasks and verbal fluency."

Dr. Kimura stressed that these differences were based on averages. Although there is a male brain pattern and a female brain pattern set before birth, she said, individual men and women vary widely in their cognitive abilities.

Women who are pregnant are in a permanently high estrogen phase, as are women who take birth control pills, which mimic the hormonal effects of pregnancy. Dr. Kimura says she also hopes to study women

**SOVIET: Support for State**

(Continued from page 1)

lomar said, "about as mild as Israel could have hoped for."

Officials said there were no immediate plans to upgrade the Palestine Liberation Organization's permanent mission in Moscow to an embassy.

The Soviet statement applauded the PNC's decision to accept United Nations Security Council Resolution 242, which establishes the right of all states in the region, including Israel, to live in peace "within secure and recognized boundaries."

Mr. Bessmertennikov said the result of such a peace would mean

# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## On the Empire's Edge

Presumably Mikhail Gorbachev did not become the Kremlin's first minister in order to preside over the dissolution of the Soviet empire. Still, that vast domain, in which a succession of independent countries was brought under Soviet influence or annexed outright, is facing some difficult tests now. The Baltic republics are particularly restless. Estonia, Lithuania and Latvia are small and relatively developed and cohesive places, conquered recently enough (1940) to have a live collective memory of their earlier, European ways. They are using the Gorbachev reforms to assert nationalist claims.

Just last month Mr. Gorbachev sprung on an unconsulted public the Soviet Communist Party's proposals for constitutional change; they could be debated, but only for a month. In the Baltics and in some other parts of the Soviet Union, the kind of reform most desired leads to more autonomy at home. To many citizens in the Baltics, however, the new proposals used the rhetoric of democratization to shield a new reality of centralization. The republics have been seething since Glasnost has ensured that much of the seething has been in public view.

At work here is the basic paradox that plagues Soviet reform. In a Communist country, if reform means anything it means devolving power and opening things up in order to unlock individual and local initiative. But in a conservative country such as

the Soviet Union, the temptation is not only to keep power centralized but to break the real local resistance to reform by administering reform from the top down. Andrei Sakharov is among those who have been warning of the anti-democratic character of this tendency. But it has a broad appeal in Moscow. Reformers favor it to bring progressive conservatives to keep control.

The Soviet argument over reform can only be intensified by the spectacle of mass petitions, resistance to Kremlin edicts and calls for sovereignty in the Baltics. Mr. Gorbachev is trying to cool things down. Obviously, he is going to have to find new forms of consultation between the center and the republics, however, and find them fast. These cannot be very many Soviets who want to see a crisis develop where Moscow would jerk back hard and repressively on the Baltics and on reform.

For Americans this represents a dilemma at least as old and unresolved as the United States' own paralysis at the time of the Soviet crackdown in Hungary more than 30 years ago. It is the dilemma of knowing how far to encourage the East European countries in their quest for freedom and independence when they may finally provoke their Soviet overlords to retaliatory actions that we are not prepared to help them resist. The West, as well as Mr. Gorbachev, must be careful not to play with fire here.

— THE WASHINGTON POST.

## Cheers for the Pakistanis

The first free vote in more than a decade has to be sweet for Pakistanis, and especially for Benazir Bhutto, the leader of the party that led all others by a wide margin. The regime she is likely to succeed is the one that hanged her father, the deposed prime minister, in April 1979. She would avenge his death, so she has written, by "restoring democracy in Pakistan."

Half of Pakistan's registered voters went to the polls Wednesday. They gave 97 of the 215 seats being contested in the 237-seat lower house of Parliament to Miss Bhutto's People's Party. The Islamic Democratic Alliance, the leading conservative party, won 54 seats, and the rest went to other parties. It is now up to the acting president to choose a leader to form a coalition. His decision is by no means certain, but it would be painful for Pakistanis who gave Miss Bhutto a clear plurality to see her disregarded.

Zulfikar Ali Bhutto won Pakistan's first imperfect but democratic election, in 1977.

— THE NEW YORK TIMES.

## Guns Do Kill People

"Guns don't kill people; people kill people." That is a favorite argument of the gun lobby. But a new study gives reason to disagree. The study, published last week in The New England Journal of Medicine, examined gun and crime records in Seattle and Vancouver, British Columbia. The two cities are similar in population as well as in geography, climate and history. They share similar rates of education, income and unemployment; their residents even watch the same television shows.

The two cities differ dramatically, however, in their approach to guns. Vancouver restricts purchases of handguns to legitimate target shooters and collectors, and severely limits their use. Seattle allows virtually unrestricted over-the-counter sales, and requires only a permit to carry a concealed gun on the street. Not surprisingly, gun ownership is more than three times greater in Seattle than in Vancouver.

The researchers analyzed aggravated assaults and homicides according to the weapons used. The results were striking: The rates of crimes committed with knives and other weapons were roughly the same in both cities, but the rates of crimes committed with guns were far greater in Seattle.

— THE NEW YORK TIMES.

## Other Comment

### A Palestinian Breakthrough

With the acceptance of United Nations Resolution 242 the PLO has now stepped out of the world of fantasy and into the world of practical politics. It has not gone as far as it should have done. The Palestinian National Covenant, which calls for Israel's disappearance, has still to be changed. "Terrorism" is renounced, but not the right to "struggle" for independence, and who shall define those words? Resolution 242 itself is accepted, but with an ambiguous addition — the Palestinians' right to self-determination — that the original resolution does not contain. Still, none of these things obscures the fact that the supreme decision-making body of the PLO has more or less said that the organization's aim is no longer to destroy Israel but to create an independent Palestine which will live in peace alongside it. This is a breakthrough, and deserves to be welcomed as such.

— The Economist (London).

### Last Chance for OPEC

The OPEC ministerial talks beginning in Vienna on Monday are the last chance for the organization to restore its credibility and influence in the oil market. Iran's boycott of OPEC production and price agreements over the last two years has encour-

aged most other members to simply forget the group's commitments, thereby glutting the market and forcing oil prices down to the present range of \$12-\$13, much below the group's \$18 reference price. OPEC's market clout has been weakening steadily due to poor discipline among its members, and the Iran-Iraq dispute. The organization may entirely lose its influence and turn into a white elephant if it fails to unite its ranks and instill a higher sense of discipline.

— The Jakarta Post.

### Bhutto Worked for It

Benazir Bhutto deserves her victory in the first democratic general election in Pakistan after 11 years. She moved with great skill to broaden her support, to calm the fears of the army and other powerful vested interests, without unduly alienating supporters who had suffered under the military regime of the late General Zia. The election results show her claim to be Pakistan's only truly national political leader to be justified. Should she now succeed in forming a viable government, she faces a task which is by any standards nightmarish. If and when Miss Bhutto becomes prime minister, she will need all the support the West can give if she is to preserve her country from the forces that have dogged its turbulent history.

— The Independent (London).

### INTERNATIONAL HERALD TRIBUNE

JOHN HAY WHITNEY, Chairman 1958-1982

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

LEE W. HUEBNER, Publisher

JOHN VINOCUR, Executive Editor • WALTER WELLS, News Editor • SAMUEL A. KATHERINE KNORR and CHARLES MITCHELLOW, Deputy Editors • CARL GEWIRTZ, Associate Editor • ROBERT J. DONAHUE, Editor of the Editorial Page • JAMES R. CRATE, Business/Financial Editor • RENÉ BONDY, Design Publisher • ALAIN LECOURT and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESMAISON, Circulation Director • ROLF D. KRANEPUHL, Advertising Sales Director • KOURDT HOWELL, Direct Response Systems

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 9220 Neuilly-sur-Seine, France. Tel.: (1) 46-37-93-00. Telex: 61283; Circulation, 612718; Production, 630698. Directeur de la publication: Walter N. Thayer.

Editor for Asia: Michael Richardson, 5 Caversham Rd., Singapore 0511. Tel: 77-7768. Fax: RS36928. Managing Dir. Asia: Michael Glenn, 50 Gloucester Road, Hong Kong. Tel: 5-30-0616. Tel: 6170. Managing Dir. U.K.: Robin MacKinnon, 63 Long Acre, London WC2. Tel: 835-6002. Telex: 262009. Gen. Mgr. W. Germany: W. Lauterbach, Friedrichstr. 15, 6000 Frankfurt/M. Tel: (069) 726753. Tel: 416721. Pres. U.S.: Michael Conroy, 850 Third Ave., New York, NY 10022. Tel: (212) 752-3890. Telex: 427175. S.A. au capital de 1,200,000 F. RCS Nanterre B 73202126. Commission Paritaire No. 61337. © 1988, International Herald Tribune. All rights reserved. ISSN: 0294-3052.

## OPINION

## How Likud and Labor Can Save the Center

By William Safire

**C**HICAGO — Many Jewish Americans — including most of Israel's strongest longtime supporters — are disturbed by the way a cabal of Orthodox politico-rabbis in Israel is making a grab for ecclesiastical exclusivity.

At issue is the cabal's attempt to arrogate to itself the authority to determine "who is a Jew" — that is, to decide invalid, for purposes of invoking Israel's Law of Return, all conversions to Judaism made in Conservative and Reform synagogues. This would make a mockery of the Diaspora's tradition of diversity within unity. It would sacrifice Israel's national security on the altar of religious rigidity.

What most troubles most Jews in the United States and in Israel is not that some Orthodox leaders want their own form of papacy — that fantasy is nothing new — but that the political leaders of the Jewish state, dicing for votes in the Knesset set to form a majority, seem to be promising to grant a demand that would inflame Jews everywhere. (We have enough trouble with the Arab *jihad*; we don't need one of our own.) I write "seem to be promising" because it is all a charade.

1. King Hussein double-crossed the Labor Party's Shimon Peres in midcampaign by removing his "Jordanian option," the plan to give up the West Bank while avoiding the appearance of immediately setting up a PLO state. Mr. Peres's party lost mandates; religious parties, longtime allies of the Likud, gained.

2. Desperate to cling to office despite the voters' rejection, Mr. Peres offered the religious parties not only cabinet posts and more aid to parochial schools, but also support for a bill to give them the right to decide which conversions count — for many, in effect, "who is a Jew."

3. The politico-rabbis then took that offer to Prime Minister Yitzhak Shamir, head of the right-wing Likud. Mr. Shamir promptly matched it and bought the support of enough votes to form a majority.

4. With this backing of the religious parties, Mr. Shamir got the nod to form a government. He sent reassurance to Jews around the world who are Reform and Conservative (as I am, squared), because he now has a choice of double-crosses.

5. Mr. Shamir could form his coalition with the religious, and dutifully put the "who is a Jew" bill before the Knesset, calling for its support by Likudniks on pain of party discipline. However, just the right number of rightists would call in sick that day to allow Labor Party members to defeat the bill. Promise ostensibly kept, but bill defeated.

6. The politico-rabbis, who surely know this is coming, are prepared to demand placation for the failure to deliver, in the form of a ban on movies or soccer or anything else on the Sabbath, an end to archaeological digs or whatever. The Likud could then try to govern at the expense of unstable coalition partners, with most Israelis getting annoyed and then angry.

partner — with your tough Yitzhak Shamir in a key post, and your loose-lipped Peres out in the cold — then together we can reform the political system to make it more difficult for splinter parties to be kingmakers.

6. At Mr. Shamir's urging, and with the support of Jews from Jerusalem to Jamaica, Labor would accept that Likud offer. Thus the threshold of electoral success would be raised, the democratic majority would rule, and the presumptuous rabbinic cabal would be foiled with finality.

7. As part of the deal taking out Mr. Peres, Mr. Shamir would agree privately not to run again. That would leave David Levy, Moshe Arens and Ariel Sharon to compete to lead the Likud against Mr. Shamir's Labor in the next election.

The second scenario would be better for the state of Israel, not to mention for Judaism. But such a rout of the rabbis would require personal sacrifice by Mr. Peres, who may prefer to hang grimly in as a political zombie — always losing, never lost.

This is the moment that the Palestine Liberation Organization, meeting in Algiers, chose to accept a partition plan 40 years and 5 years too late; at this rate, it will adopt the Camp David accords in 2028. That temporizing is accompanied by a transition in Washington and by the overreaching by Israel's own New Rightists; all three events combine to give Israel a moment to regroup.

Use that precious breathing space wisely. Form not just another government, but a more effective way of governing.

*The New York Times.*

## The PLO's Message Is Still of Cynical Rejectionism

By A. M. Rosenthal

**N**EW YORK — I hereby declare that I am the rightful owner of the house in which you live. I have created a new corporation to take it over. Take notice that I intend to establish the headquarters in your living room.

You are a usurper, a squatler, totally vile. I have sworn a holy oath to drive you and your children from the house. I summon you to a court at which my rights and the new corporation will be recognized by you and all. But if you attend, I will consider agreeing that you are entitled to live somewhere on the grounds, maybe in the yard. Meantime, to persuade you to hurry, I will throw more and more rocks through your windows.

Be grateful. That is a political translation of the deal the Palestine Liberation Organization is now offering the Israelis.

Meeting in Algiers, the PLO announced the creation of a new Palestinian state on territory Israel happens to consider its own by right of international law, statehood, religion or the conquest and ouster of invading Arab armies.

The PLO did not specify the boundaries of the new state but did announce that its capital would be in Jerusalem. It implied that at an international conference it might accept an ambiguous United Nations resolution recognizing Israel's right to consider itself among the living.

But the PLO made it clear that it still embraces the UN resolutions condemning Israel, including the international piece of anti-Semitic that equates Zionism, the philosophic root of the Israeli state, with racism. It did not consider

create: See, we are now willing to consider some day maybe perhaps recognizing Israeli existence, so now you can deal with us.

Neither Mr. Bush nor James Baker, who will be his secretary of state, are overflowing with eagerness. It will be interesting to see the reaction of Governor John Sununu of New Hampshire. Mr. Bush's choice as chief of staff is the only governor who declined to denounce the United Nations Zionism-is-racism resolution.

The Algiers meeting was not "moderation." It was a cynical continuation of the Arab rejectionism of Israel that has brought 40 years of struggle to the Middle East.

Only once did an Arab leader turn away from rejectionism. Eleven years ago, on Nov. 19, 1977, Anwar Sadat landed in Jerusalem. He achieved the only victory any Arab leader ever won in dealing with Israel. Mineral-rich Sinai was returned to him, because he knew what to offer.

One day the Palestinian movement itself may grasp what Sadat understood. The hope lies not in the cynicism of Algiers but in the young people of the intifada who are being compelled to continue a war they cannot win but can end in honor if they offer what brought Sadat his victory.

That was true acceptance of Israel as a strong, permanent and honorable part of the Middle East, the end to hatred and terror, the beginning of brotherhood. Sadat knew nothing else could achieve the goals of either Israel or the Palestinians. Though he died for it, it remains the truth and the path.

*The New York Times.*

## Thatcher on the Cusp: She's No Ordinary Mortal

By Jim Hoagland

fashionableness have waned while hers have grown, you hear the echoes of the internal voices that still grow at the world's most powerful woman.

There are echoes of her current battles with Jacques Delors and the other technocrats of European unity; of her past battles with the British Labor Party and the hard-left trade unions that strangled Ingoc (Orwell's unbloved English socialism); and most of all of her long-ago battles with Edward Heath and the other swells of the Conservative Party who watched in disbelief as the group's daughter outshone, outfoxed and outran them all in the race for power.

Margaret Thatcher probably believes more strongly in the utility of class analysis than does Mikhail Gorbachev at this point. She rediscovers these concepts, bending them through the prism of her Englishness and her experiences of breaking open a calcified sexist political establishment.

There is in her a recognizable core of social resentments and unquenchable

virtue movement and the task of reconciling conservatism with finding accommodation with Mr. Gorbachev.

Mr. Reagan and Mr. Gorbachev have proven that star quality is an important ingredient of modern diplomacy. Mrs. Thatcher's studied and increasingly effective public presentations in international settings are intended to cast her as the West's best bet in this role; but for this strategy to work she will still have to eclipse some pinched and combative domestic performances. Her Washington performances suggested that she is beginning to do that.

She also demonstrated that she is integrating two competing strains that have run through her East-West strategy, which mixes unsparing support for Mr. Gorbachev with refusal of any tiny military accommodation with the Soviets. It is a dichotomy that is difficult for others to follow, and which has exposed her to accusations of inconsistency or hypocrisy.

But the impression now shape that she has wrestled long and hard to turn an essentially instinctive judgment about Mr. Gorbachev into an intellectually consistent view that "we should all support him" while "we keep our own defenses." It is rooted in that belief about the strengths and weaknesses of trickle-down Marxism.

Miss Thatcher disclaims having a crystal ball. But she has shown almost as important: the determination and force to keep asking the right questions about Mr. Gorbachev.

*The Washington Post.*

## 100, 75 AND 50 YEARS AGO

### 1888: The Glorious Tub

**P**ARIS — Despite the French race rapidly becoming imbued with the Anglo-Saxon character, Parisians of the day patronize London tailors and "American bars" ride in horse-drawn cabs and employ Edison's electric light, they print interviews & "American" humor Shakespeare and have their pockets picked by Gallic imitators of old Fagin. But perhaps the most signal triumph in this social revolution has been the importation into France of the Britannic tub. M. Philippe Daryl, the writer, remarks that France can look back upon a past glorious in art and science and comedy, yet she has never known, until of late years, the inestimable blessing to be derived from the proper use of a large sponge, a rough towel and a bucket of cold water. French educators and legislators have been finally aroused to the importance of the old Latin precept with which they have filled their copy books from time immemorial: *Mens sana in corpore sano*.

*The Washington Post Writers Group.*

## Canadians Will Pay Either Way

By William Pfaff

**P**ARIS — The Canadian election on Monday will be the most important in the country's recent history. The major issue is whether Canada should ratify the free trade agreement that has been reached with the United States. Implicit is a question of Canadian national autonomy and one of the quality of North American society in the future.

The economic argument for the trade agreement defended by Prime Minister Brian Mulroney is that eliminating cross-border restrictions on investment and

# Canadian Will Paint Modern' In Berlin: A Fitting Finale

By William P.

PARIS — The Canadian party differences is whether to ratify the free trade agreement, defended by Minister Brian Mulroney, indicating cross-border investment and exchange will save Canadian jobs and speed up the economy.

It is not an argument dismissed. Indeed, the inspired chief by the Canadian tendency toward peace against which Canadians defend. Today, 78 percent of Canada's exports go to the U.S. and only a fifth to a queue of exports go to Canada.

Canada does dispute well on U.S. market by its permanent U.S. interests. "Are Americans?" people in the States are known to say, less the Canadian conviction that is different from, say, Saudi Arabia.

The economic argument is that Canada and agriculture world and to be swept into total integration with the U.S. economy. Existing tariffs are generally higher than as Canadian industry and agriculture. They are reduced or swept away by the will, the critics say, Canada's higher levels of social protection.

Comparison with the U.S. Community is misleading. It consists of four countries less the same economic scale. West Germany, France and Italy, fully supporting their individual plus two more (Spain and Ireland) roughly half the size, plus the smaller Canadian single power can dominate.

There are agreed the social protection, and a Court to which disgruntled. These do not encourage Canadian pact between 245 million people, with economy, and one of a pre-plate, with a \$400 billion deficit.

Economics, however, is a mortal problem. Robert the Canadian novelist, one of Canada's survivors, that are not immediately cultural and indeed spiritual.

The Canadians' original 18th century was polarizing the other American section of the British colonies. It burned Washington's revenge for a U.S. effort over, and they united in the fight against the threat there.

American Civil War, and

of a powerful Union.

Canadians have, at considerable, defended a nation separate from America's.

The argument for confederation is that it is nationalist and could defend a second way on the American continent, more minded and cooperative, a ward, than in the United States.

There might have been one. One could argue that it would have been better for everyone states of the American Civil War to have been allowed to go to war. Slavery could scarcely have been brought to an end at the end of the 19th century if it had been brought to an end, perhaps themselves, it all seems to have been less decisive than Jim Crow — it has followed — proved to us.

What North America have become is hard to imagine. The National Gallery, saturated as it is with Giorgionesque elements, "The Legacy of Venice" introduces us to what David Rosand, in one of the catalogue essays, calls a world of "pastoral illusion." It is a world of one with itself, in which nothing toward ever seems to occur.

Well-favored people sit around, talking, singing, playing unamplified musical instruments, studying a map of the heavens, minding their own business and giving no trouble to others. If there is a saint here and there, he doesn't pull rank.

When we come to the "modern vision" at the Phillips Collection, the delicate persistent sensitivity of Duncan Phillips is quick to assert itself. This is partly because of the paintings by Corot, Puvis de Chavannes and K.X. Rousseau that came to the collection in his lifetime.

In the Italian landscape by Corot that he bought many years ago, the Venetian pastoral aesthetic is updated with a particularly dexterous hand. The untempered forestage, the steep slope smudged with trees, the nice balance of the architectural rear-ground and the inactivity of the human figures here and there — all perpetuate the original subject matter. But then this is not the only Phillips acquisition in the show that wins our hearts by its refusal to illustrate.

The show bears the stamp of Sir Lawrence Gowin, the English painter, critic and historian who is now curatorial chairman at the Phillips Collection.

Never one to underestimate a case, he tells us flatly that "the whole pastoral tradition from Giovanni Bellini to Milton Avery is simultaneously active in the current understanding of painting." He also gives back to Giorgione, the famous "Concert Champêtre" in the Louvre, which has lately been attributed primarily to Titian.

That great painting can never travel, but Sir Lawrence has fished out of an English private collection



Reconstruction of the First International Dada Fair, held in Berlin in 1920.

By David Galloway

BERLIN — For nearly two years Berlin has flexed its civic and cultural muscles — first, in celebration of its 750th birthday, then European Cultural Capital for 1988. Among the events of a bright and varied schedule, the most mischievous was the controversial "Sculpture Boulevard" that scattered works along the Kurfürstendamm. Earlier this year, a Joseph Beuys retrospective raised more questions (and tickles) than are likely to be answered (or smoothed) in our century.

After such costly gaffes, a collective sigh of relief and delight has greeted the finale to Berlin's two-year cultural fete. But by any terms and in any context, "Stations of the Modern" is a curatorial triumph. It moves with streamlined grandeur through 20 historic German exhibitions starting with the Brücke of 1910 and ending with a re-creation of Gary Schum's pioneering "Video Gallery" of 1969.

For students of modernism, the show is a must. It assembles groups of works that have not been together since their initial showings but that have become the stuff of art history. Despite the inclusion of 360 sculptors and painters, most of the ensembles are "representative" rather than complete. Much of what was shown by the Brücke (1910) and the Blaue Reiter (1911) groups was later confiscated by the Nazis and either destroyed or auctioned. Just how widely the works were scattered is indicated by a list of lenders from 119 cities throughout the world.

The most authentic re-creation is that of the First International Dada Fair held in a private Berlin gallery in 1920. All but two of the originals could be borrowed or, in the case of posters, reproduced. That understandably tempted curators to simulate the original

crooked space in which the Dadaists composed their protest. The walls overflow with images, slogans, photographs and collages, while absurdist assemblages dangle from the ceiling.

Participants like George Gross and Raoul Hausmann took their comedy with utter seriousness. Yet none of the participants or the 310 visitors who climbed the outside stairs to a room over the former post office were conscious of forging art history. Nor was the courageous gallery director, a specialist in Oriental antiquities, who made the space available. Repeatedly, "Stations of the Modern" documents how courageous private individuals gave modernism its most important forum.

Prior to the Berlin show, the Dadaists had staged a combination happening and exhibition (promptly closed by the police) in a Cologne brewery. The influential Brücke group made their first joint presentation (ever earlier than the show documented in Berlin) in a lighting showroom in a Dresden suburb. And the First Russian Art Exhibition of 1922 was, like the Dada spectacular, hosted by a dealer who specialized in antiquities.

The passage of time has lent such events the quality of metaphor,

even though many were reviled or ignored in their own time. Each of the 20 "stations" in the Berlin itinerary reveals a bundling of political, social and aesthetic forces that were shaping the visual arts, while absurdist assemblages dangle from the ceiling.

Participants like George Gross and Raoul Hausmann took their comedy with utter seriousness. Yet none of the participants or the 310 visitors who climbed the outside stairs to a room over the former post office were conscious of forging art history. Nor was the courageous gallery director, a specialist in Oriental antiquities, who made the space available. Repeatedly, "Stations of the Modern" documents how courageous private individuals gave modernism its most important forum.

Prior to the Berlin show, the Dadaists had staged a combination happening and exhibition (promptly closed by the police) in a Cologne brewery. The influential Brücke group made their first joint presentation (ever earlier than the show documented in Berlin) in a lighting showroom in a Dresden suburb. And the First Russian Art Exhibition of 1922 was, like the Dada spectacular, hosted by a dealer who specialized in antiquities.

The passage of time has lent such events the quality of metaphor,

now seems curiously, quaintly old-fashioned.

Of the nine postwar shows documented in Berlin, only one still radiates its legendary power. "Documenta 2," held in the summer of 1959, was a conscious attempt to reconnect Germans to the mainstream of 20th century art. Hence, alongside the vigorous canvases of America's Abstract Expressionists, the work of artists banned by the Nazis. Among them were Kirchner, Klee, Kokoschka, Schwitters and Nolde. They all come together again in the splendid central hall of Berlin's Martin-Gropius-Bau.

Here the station-masters have also recreated the architecture of the original show — whitewashed brick walls with fluorescent lighting behind black planking. The architecture was a pragmatist solution to staging an art exhibition in Kassel's gutted museum, the Fridericianum. But it was also, in its functional severity, a return to the Bauhaus aesthetic condemned by the Nazis. Even today, the impulsive idiom wears well, and the cool, even light, seems infinitely preferable to halogen hot-spots.

There are studies and disputes enough about the building of museums. Temporary presentation forms have had little attention. With its documentary recreations, Berlin gives at least a nudge in the right direction. "Stations of the Modern" is thus, in more than one sense, a show of shows.

"Stations of the Modern," Martin-Gropius-Bau (Stresemann Str. 110), West Berlin, Jan. 8.

David Galloway is a writer and professor based in West Germany.

## The Pastoral Landscape

By John Russell

New York Times Service

WASHINGTON — Secreted among the thunderous exhibitions in the National Gallery of Art in Washington, there is one that deserves our tender attention on two quite separate counts. The first is that instead of knocking us off our feet like Michelangelo (on view through Dec. 11) or Veronese (on view through Feb. 20), it consists primarily of European paintings, drawings and prints that are intimate in their appeal to us.

Of high drama, there is never a trace. Starting in Venice in the 16th century, under the angelic patronage of Giorgione, the two-part show rambles this way and that through the intervening centuries until it ends in richness in the Phillips Collection with a huge and little-known Matisse, a painting by Brueghel of a bicycle in the rain in Normandy and a voluptuous evocation of a public garden in Naples by Howard Hodgkin.

"The Pastoral Landscape" is the general title of this consistently provocative exhibition, which is divided between the National Gallery of Art and the Phillips Collection and runs through Jan. 22.

Part I of the show, which is called "The Legacy of Venice," is in the National Gallery. Saturated as it is with Giorgionesque elements, "The Legacy of Venice" introduces us to what David Rosand, in one of the catalogue essays, calls a world of "pastoral illusion."

It is a world of one with itself, in which nothing toward ever seems to occur.

Well-favored people sit around, talking, singing, playing unamplified musical instruments, studying a map of the heavens, minding their own business and giving no trouble to others. If there is a saint here and there, he doesn't pull rank.

When we come to the "modern vision" at the Phillips Collection, the delicate persistent sensitivity of Duncan Phillips is quick to assert itself. This is partly because of the paintings by Corot, Puvis de Chavannes and K.X. Rousseau that came to the collection in his lifetime.

In the Italian landscape by Corot that he bought many years ago, the Venetian pastoral aesthetic is updated with a particularly dexterous hand. The untempered forestage, the steep slope smudged with trees, the nice balance of the architectural rear-ground and the inactivity of the human figures here and there — all perpetuate the original subject matter. But then this is not the only Phillips acquisition in the show that wins our hearts by its refusal to illustrate.

The show bears the stamp of Sir Lawrence Gowin, the English painter, critic and historian who is now curatorial chairman at the Phillips Collection.

Never one to underestimate a case, he tells us flatly that "the whole pastoral tradition from Giovanni Bellini to Milton Avery is simultaneously active in the current understanding of painting." He also gives back to Giorgione, the famous "Concert Champêtre" in the Louvre, which has lately been attributed primarily to Titian.

That great painting can never travel, but Sir Lawrence has fished out of an English private collection

the rather more than half-size copy of it that was made in the Louvre more than 150 years ago by William Etty. Rich, hot and ripe, it makes an arresting effect at the Phillips.

In terms of pictorial quality the

Phillips show picks up both weight and substance when it arrives at Cézanne, Bonnard and Matisse. (Henri Rousseau's "Happy Quartet" is a delicious after-echo — doubtless unintended — of Venetian Arcadia.)

"Stations of the Modern," Martin-Gropius-Bau (Stresemann Str. 110), West Berlin, Jan. 8.

David Galloway is a writer and professor based in West Germany.

## INTERNATIONAL ART EXHIBITIONS

PARIS

**GALERIE CHARDIN**  
36, rue de Seine 75006 PARIS — Tel.: (1) 42 36 99 38

**JAMES F. MUELLER**  
Until December 3rd

**SALON D'AUTOMNE**  
TRÉSORS D'ART  
DE LA CÔTE D'AZUR  
Until November 27th  
GRAND PALAIS - PARIS

**GALERIE MARION MEYER**  
15, Rue Guénégaud, 75006 Paris. Tel: 46 33 04 38.

**MARCEL DUCHAMP - MAN RAY**  
Exhibition November 26th to December 26th

**MASTER WORKS —  
IMPRESSIONIST AND MODERN**  
November 10th - December 24th  
daniel malingue

26, Avenue Matignon 75008 Paris. Tel: 42.66.60.33.

NEW YORK

**COLNAGHI**  
GOTHIC TO RENAISSANCE

European Painting 1300-1600

November 23-January 28, 1989

Fully illustrated color catalog \$35

21 East 67th St. New York, NY 10021  
Tel: 212-772 2266

**"ART EXHIBITIONS"  
"ANTIQUES"  
"AUCTION SALES"  
"COLLECTOR'S GUIDE"**  
appear on  
**SATURDAY**

PARIS

**WALLY FINDLAY**  
New York - Chicago  
Palm Beach - Paris  
2, av. Matignon  
48, av. Gabriel, 75008 Paris  
Tel.: (1) 42.25.70.76

tuesday thru saturday  
10 a.m. to 1 p.m. - 2:30 to 7 p.m.

**GUILLERMARD**  
"Un art de vivre"

**8 NOVEMBER  
3 DECEMBER**

**Denise René presents**  
Art construit  
Lumière  
Mouvement  
Vernissage  
Tuesday, 22 November  
at 6 p.m.

Galerie de la Défense Art 4  
15, place de la Défense,  
la Défense 4

**LCI. MARUMO**  
Expert près la Cour  
d'Appel de Paris  
**BUYS & SELLS**  
19th & 20th Century  
Paintings  
GALLERY  
243 Rue St-Honoré  
(pl. Vendôme) 75001 Paris  
Tel: 42 60 09 66  
Fax: 40 15 96 04

LONDON

An Exhibition of  
Two Scottish Colourists  
Peploe and Cadell  
24 November - 16 December  
Monday-Friday 10 a.m.-5 p.m.  
The Lefevre Gallery  
21 Bruton Street, London W1  
Tel: 01-433 2107  
Fax: 01-499 9088

## ARTS / LEISURE

# Wind of Change in Art Market

International Herald Tribune  
NEW YORK — The wind is turning in the art market. The eagerness to buy is still intense but the limits beyond which art buyers refuse to be dragged by vendors hoping to make a killing have been made apparent in three sales of Impressionist and Modern Masters.

Sotheby's had a hard time with its Nov. 11 auction, even though the total sold amounted to an impressive \$79,455,000. The number of failures, 23 out of 77 lots, was far

\$8.5 million. The vendor, who got it at Sotheby's for \$1,650,000 in November 1985, made a substantial profit. But the whole performance did not enhance the prestige of the auction house.

That the failures had little to do with the stock market's weakness or any lack of liquidity was demonstrated on Monday in Christie's evening sale. It took less than an hour for 28 Impressionist and Modern Works of Art from the collection of William and Edith Mayer Goetz to sell without one hitch for \$85 million. Christopher Burge, president of Christie's America, who was taking the sale, was at the top of his form. He must have been buoyed by the awareness that the pictures, rare in today's market, were made yet more desirable by their whiff of history.

The collection had been completed by 1953, by a man personally acquainted with some of the greatest figures of 20th-century art. Several records were broken.

Early on in the sale, one of the most beautiful flower still-lifes by Fantin-Latour set one at \$3,080,000. Minutes later another record was established for a picture in Cézanne's early Impressionist manner, long spurned by connoisseurs. "Dans la Vallée de l'Oise," done in 1873-74, soared to an astonishing \$5,060,000. The combination of the Goetz provenance, the numerous art books in which it is discussed and, not least, the current show of Cézanne's early work at the Musée d'Orsay in Paris, proved irresistible.

One or two very desirable pieces were struck down by this unfortunate policy. Corot's "La Revenez à Trouville," done in 1870 in sketchy touches and in a bright palette, was gutted at \$1.7 million, well below the ambitious reserve that the "estimate" of \$2 million to \$3 million would suggest.

Not even Monet was spared. A painting, done in 1901, is based on a scene from Zola's "L'Assommoir," which shows a woman standing under a tree lost in her thoughts, is as poetic in feeling as it is in color scheme. Bidding stopped at \$1.7 million, well below the ambitious reserve that the "estimate" of \$2 million to \$3 million would suggest.







## BGas Loss Triples to £107 Million

Compiled by Our Staff From Dispatches

LONDON — British Gas PLC said Friday that its pretax loss in the first half of the financial year had more than tripled to £107 million (£194.8 million) on a current-cost basis because of weaker oil prices.

The company also said that its future profits could be affected by changes arising from a recent inquiry into its pricing policies by Britain's Monopolies and Mergers Commission.

In addition, British Gas denied that it had made a bid for London & Scottish Marine Oil PLC's 25 percent stake in the oil exploration company Enterprise Oil PLC.

For the six-month period ended Oct. 2, British Gas' sales increased marginally to £2.64 billion from £2.50 billion. The chairman, Sir Denis Cooke, said there had been growth in volume of gas sales to domestic and commercial markets.

But with oil prices declining and the consequent loss in the value of gas sales, British Gas said its loss for the period had leaped, from £31 million a year earlier. Loss per share increased to 2.7 pence from 1.7 pence.

On an historical cost basis, the company's pretax profit for the

half fell to £28 million from £111 million.

Net loss on a current-cost basis was £117 million, compared with £71 million. On an historical cost basis, net profit tumbled to £18 million from £71 million. Net interest rose to £63 million from £34 million.

British Gas shares declined 2 pence after the results to close at 163.5 pence on the London Stock Exchange.

Sir Denis said the company typically makes a small profit or suffers a loss during the first half of its financial year, with the great majority of its income generated in the second part of the year, which falls during winter.

But looking ahead, British Gas said it feared the monopolies and mergers commission inquiry could affect earnings. The company said it was not yet able to quantify effects of the inquiry, though it did not expect a material impact on profits in the current financial year.

The company's recent embarrassment on an acquisition trail in the exploration and production sector led some oil analysts to believe it would bid for the state in Enterprise.

The company also said it had made losses on two previous acquisitions in the exploration and production sector.

The managing director of finance at British Gas managing director, Allan Sutcliffe, said the company's Canadian subsidiary, Bow Valley, had lost about £10 million. Acre Oil, another recent acquisition, posted a small loss.

(Reuters, AP)

day the company had sold its 1.14 percent stake in London & Scottish Marine, known as Lasmo, which was acquired during an ill-fated raid on that company Sept. 13. He would not disclose the price received for the shares, but said "we sold it for a small profit."

Market sources said British Gas always had been primarily interested in acquiring Lasmo, rather than Enterprise. The failure of the British Gas raid on Lasmo frustrated those plans.

Referring to British press reports that the Enterprise stake had already been assigned to Société Nationale Elf Aquitaine of France, Mr. Evans said, "whether that's true or not, I have no means of judging." The outcome of the bidding contest for Enterprise is expected to be announced soon.

The company also said it had made losses on two previous acquisitions in the exploration and production sector.

The managing director of finance at British Gas managing director, Allan Sutcliffe, said the company's Canadian subsidiary, Bow Valley, had lost about £10 million. Acre Oil, another recent acquisition, posted a small loss.

(Reuters, AP)

## Trading Heavy in Nestlé After Decision on Stock

Reuters

ZURICH — Nestlé SA's stock experienced sharp price movements Friday in hectic trading on the Zurich Stock Exchange after the company ended discrimination against foreign stockholders.

On Thursday, the food giant became the first big Swiss-owned company to allow foreign investors to buy its registered shares.

"This is a revolutionary move by Nestlé," said Gilbert Puder, an analyst at Bank A. Sarasin in Basel. "It will open the gates to the internationalization of Swiss stock markets."

The decision had the effect of blurring the distinction between the registered shares, which have guaranteed voting rights, and bearer shares, whose voting rights can be abrogated.

As a result, Nestlé's registered shares rose steeply Friday, benefiting foreign investors. The bearer shares dropped, reducing the value of foreigner's holdings and bringing the prices of the two categories much closer together.

In Zurich, Nestlé bearer shares fell steeply to close at 6,950 Swiss francs (\$4,791) each, from \$8,745 francs at Thursday's close. Its registered shares jumped to 6,070 francs from \$4,320.

"The first reaction of many foreigners is naturally one of disappointment and annoyance," said Urs Ernst, head of research at Bank J. Vontobel. But, he added, "There will be a second phase where people really start to look at what Swiss companies are worth and then the bearers will recover."

The registered shares of other major Swiss companies were generally sharply higher, and bearer shares lower, dealers said. They said the market was unnerved by speculation that other major Swiss companies might eventually follow Nestlé's lead.

Nestlé, seeking greater access to foreign capital without exposing itself too much, said it would limit the number of registered shares that can be held by an individual or party to 3 percent of those shares outstanding. Nestlé's 1987 sales were \$3.2 billion Swiss francs.

## Testing Hong Kong's Credibility

### Telecommunications Offering to Measure Confidence

By Floyd Norris

New York Times Service

talism assured through at least the year 2047, but there are those who doubt such promises can really bind a future Chinese government.

The offering in Hong Kong telecommunications is being made by its British parent, Cable & Wireless PLC, and by the Hong Kong government.

If the offer succeeds, as expected, it will be an indication that investors are willing to accept promises from Beijing about the future of Hong Kong.

Hong Kong telecommunications is both the largest company on the Hong Kong Stock Exchange and one that has no way to hedge its bets on the future of the territory, where its assets and its prospects are firmly placed.

The concern, formed early this year by a merger of Hong Kong Telephone and the local unit of Cable & Wireless, has been growing rapidly, largely due to surges in the volume of international facsimile service and to the growing volume of telephone traffic between Hong Kong and the mainland.

The price of the shares reflects those growth prospects.

In Hong Kong, the shares are selling at about 6.6 times book value, and its survival is not assured.

Both share prices and trading volume are a fraction of what they were before the collapse, and the men who ran the Hong Kong Stock Exchange in the heady days of the bull market are facing criminal charges of corruption.

On top of all that come the uncertainties associated with Hong Kong's changing political status. In 1997, the British lease on the territory expires and its sovereignty will be transferred to China.

Beijing has promised that Hong Kong will be allowed to continue as a major financial center, with capital

and interest rate controls that are expected to be introduced.

About a quarter of the Hong Kong telecommunications shares being offered are expected to be sold in the United States, in the form of American depository shares, by underwriters led by Prudential-Bache.

About two-thirds of the shares will be offered in Hong Kong and the rest in overseas markets other than the United States.

The Hong Kong government and Cable & Wireless are each selling about 3.5 percent of the stock, raising the public ownership of the company to about 16 percent.

They had hoped to sell 4 percent more, but backed off due to market conditions.

## EC Advances Toward New Mergers Policy

Reuters

BRUSSELS — European Community trade ministers moved closer on Friday to giving the executive Commission powers to consider in advance, or possibly block, major company mergers that are changing the European business landscape.

Diplomats said serious differences also remained over whether companies could go ahead with a merger while it was being considered by the Commission for possible anti-competitive aspects.

Some Commission officials expressed confidence about prospects for an accord when ministers meet in December, but Mr. Sutherland said only that he hoped this would be possible.

The Commission now has powers to block or force changes in company mergers only after they have taken place.

With backing from EC business groups, Mr. Sutherland argues that prior clearance would give companies legal certainty when merging, while replacing differing national rules with one EC-wide regulation would remove anomalies.

Mr. Sutherland has proposed that all mergers involving companies with combined sales of 1 billion European currency units (\$1.20 billion) should be dealt with by the Commission, although it would not step in if one of the companies had sales of under 100 million ECUs.

## Kann Named As Publisher At The Journal

The Associated Press

NEW YORK — Peter R. Kann, who won a Pulitzer Prize for international reporting and was the founding editor and publisher of The Asian Wall Street Journal, has been named publisher of The Wall Street Journal, effective Jan. 1. Mr. Kann, 43, succeeds

Warren H. Phillips, who remains chairman and chief executive officer of Dow Jones & Co., the Journal's parent company. Mr. Phillips, 62, has held those positions since 1975.

Mr. Kann joined the Journal in 1964 as a reporter after graduating from Harvard University. He became Vietnam correspondent in 1967 and, based in Hong Kong, covered Southeast Asia from 1968 to 1975. He won the Pulitzer Prize in 1972.

He helped launch The Asian Wall Street Journal before returning to the United States in 1979 as assistant to the chairman of Dow Jones.

Mr. Kann also was named the Journal's associate publisher that year.

Continued on next page)

## JUNK: How Many of the High-Yield Securities Can the Market Absorb?

(Continued from first finance page)

attracted by the steady sales and value of the company's divisions.

"RJR is so well known that it will be a stimulant, attracting more investors to the high-yield market," said Robert E. Chambliss, managing director at Salomon Brothers.

The willingness of a blue-chip company like RJR Nabisco to go deeply into debt is helping convince other corporations that heavy borrowing and the sale of junk bonds can be a reasonable corporate strategy, not a sign of weakness.

As the volume of junk bond financing has grown, so has the universe of buyers. For many insurance companies and pension funds, purchases of junk bonds are replacing the common stock they used to own in those companies, before the stock was sold at a high price as part of a takeover.

The fastest-growing group of investors is made up of foreigners, whose market share is well above 3 percent, according to Drexel Burnham Lambert. Drexel estimated that Japanese institutions, ranging from corporations with excess cash to insurance and leasing companies, are buying junk bonds at the rate of \$1 billion a month.

In the United States, securities dealers hope to expand distribution of the bonds among insurance

fewer than 20 percent of all such bonds issued before 1988 were used to finance hostile acquisitions or to fend off unwanted suitors, according to the Alliance for Capital Access, a trade group financed by corporations that have issued junk bonds.

In most cases, junk bonds are issued for the same reasons as investment-grade bonds — friendly acquisitions, retirement of short-term debt, investment in new equipment and plants.

But the fact is that many take-

overs could not go forward without junk bond financing. Junk bonds provide the additional funds that enable a buyer to offer a price high enough to persuade a company's shareholders to sell.

But a serious risk to the junk bond market would be an increase in loss from defaults above the 2 percent rate of 1987.

The last six years of economic expansion have been a boon to the junk bond market, helping to keep average losses from default below 2 percent, but analysts worry that an economic downturn and the increased number of junk bonds could lead to more defaults.

As securities firms sell more bonds, however, it seems that more investors are accepting the risk of loss, in exchange for high yields.

"The basic premise is that there is a better balance between risk and reward for high-yield issues than for investment-grade issues, is intact, and more widely accepted than ever," said Mr. Chambliss of Salomon Brothers.

Zane Brown, executive vice president in charge of bonds at Equitable Capital Management Corp., said he was "comforted by the fact that there is more participation, with more dealers making markets." As the supply of bonds grows, he said, he "would have no problem doubling over the next year the \$1.5 billion of junk bonds he holds."

For investors, junk bonds be-

come more attractive after U.S. tax law changes in 1986 that eliminated the preferentially low tax rate for capital gains.

But a serious risk to the junk bond market would be an increase in loss from defaults above the 2 percent rate of 1987.

The last six years of economic expansion have been a boon to the junk bond market, helping to keep average losses from default below 2 percent, but analysts worry that an economic downturn and the increased number of junk bonds could lead to more defaults.

As securities firms sell more bonds, however, it seems that more investors are accepting the risk of loss, in exchange for high yields.

"The basic premise is that there is a better balance between risk and reward for high-yield issues than for investment-grade issues, is intact, and more widely accepted than ever," said Mr. Chambliss of Salomon Brothers.

Zane Brown, executive vice president in charge of bonds at Equitable Capital Management Corp., said he was "comforted by the fact that there is more participation, with more dealers making markets." As the supply of bonds grows, he said, he "would have no problem doubling over the next year the \$1.5 billion of junk bonds he holds."

For investors, junk bonds be-

come more attractive after U.S. tax law changes in 1986 that eliminated the preferentially low tax rate for capital gains.

But a serious risk to the junk bond market would be an increase in loss from defaults above the 2 percent rate of 1987.

The last six years of economic expansion have been a boon to the junk bond market, helping to keep average losses from default below 2 percent, but analysts worry that an economic downturn and the increased number of junk bonds could lead to more defaults.

As securities firms sell more bonds, however, it seems that more investors are accepting the risk of loss, in exchange for high yields.

"The basic premise is that there is a better balance between risk and reward for high-yield issues than for investment-grade issues, is intact, and more widely accepted than ever," said Mr. Chambliss of Salomon Brothers.

Zane Brown, executive vice president in charge of bonds at Equitable Capital Management Corp., said he was "comforted by the fact that there is more participation, with more dealers making markets." As the supply of bonds grows, he said, he "would have no problem doubling over the next year the \$1.5 billion of junk bonds he holds."

For investors, junk bonds be-

come more attractive after U.S. tax law changes in 1986 that eliminated the preferentially low tax rate for capital gains.

But a serious risk to the junk bond market would be an increase in loss from defaults above the 2 percent rate of 1987.

The last six years of economic expansion have been a boon to the junk bond market, helping to keep average losses from default below 2 percent, but analysts worry that an economic downturn and the increased number of junk bonds could lead to more defaults.

As securities firms sell more bonds, however, it seems that more investors are accepting the risk of loss, in exchange for high yields.

"The basic premise is that there is a better balance between risk and reward for high-yield issues than for investment-grade issues, is intact, and more widely accepted than ever," said Mr. Chambliss of Salomon Brothers.

Zane Brown, executive vice president in charge of bonds at Equitable Capital Management Corp., said he was "comforted by the fact that there is more participation, with more dealers making markets." As the supply of bonds grows, he said, he "would have no problem doubling over the next year the \$1.5 billion of junk bonds he holds."

For investors, junk bonds be-

come more attractive after U.S. tax law changes in 1986 that eliminated the preferentially low tax rate for capital gains.

But a serious risk to the junk bond market would be an increase in loss from defaults above the 2 percent rate of 1987.

The last six years of economic expansion have been a boon to the junk bond market, helping to keep average losses from default below 2 percent, but analysts worry that an economic downturn and the increased number of junk bonds could lead to more defaults.

As securities firms sell more bonds, however, it seems that more investors are accepting the risk of loss, in exchange for high yields.

"The basic premise is that there is a better balance between risk and reward for high-yield issues than for investment-grade issues, is intact, and more widely accepted than ever," said Mr. Chambliss of Salomon Brothers.

Zane Brown, executive vice president in charge of bonds at Equitable Capital Management Corp., said he was "comforted by the fact that there is more participation, with more dealers making markets." As the supply of bonds grows, he said, he "would have no problem doubling over the next year the \$1.5 billion of junk bonds he holds."

For investors, junk bonds be-

come more attractive after U.S. tax law changes in 1986 that eliminated the preferentially low tax rate for capital gains.

But a serious risk to the junk bond



# ABU DHABI

*Following the cease-fire in the Iran-Iraq war, there has been an atmosphere of renewal as the emirate moves into gear again. Now, the emphasis is on developing sectors such as overseas investment, industry and tourism.*

# Development of Non-Oil-Related Industries

**T**HREE is a new sign saying "TOURISTS" at the immigration counter in the resplendent Nadia Airport, with its award-winning duty-free shop. It reflects a dramatic new approach by the Abu Dhabi government and the United Arab Emirates as a whole to actively encourage tourists to sample the "Arabian Experience."

The local campaign to lay the foundations of a tourist industry has been spearheaded by the Abu Dhabi National Hotels Company (ADNHC), which is sparing no effort to tell the world that the Gulf welcomes visitors. ADNHC does have a strong vested interest. It owns five major hotels managed by international chains: Sheraton, Inter-Continental, Hilton and Le Méridien. It also owns and manages a unique beach resort hotel, recently renamed the Gulf when its management was transferred from the American Ramada group.

The plunge in the world's oil price from a high of nearly \$40 a barrel to the present level of about \$10 meant a change of fortunes for the oil-based economy of Abu Dhabi. In spite of having the second-largest reserves in the Arab world after Saudi Arabia, Abu Dhabi has had to reshape its economic strategy. It has just trimmed its public spending in order to cut its budget deficit, and it is developing a shrewder international investment policy to maintain its current advantage.

With a drop of more than 20 percent in oil revenues, the construction industry, services and supplies declined. In turn the number of foreign businessmen coming to Abu Dhabi fell off, and the luxury hotels, all with superb beaches and the last word in creature comforts for the overtaxed business traveler, suffered accordingly. Until then, no one in the region had seriously considered the potential for tourism. The almost limitless facilities and natural resources Abu Dhabi had to offer a discerning travel market had been overlooked.

This high-contrast, black-and-white aerial photograph captures a massive construction site, possibly for a bridge or a large dam. The scene is dominated by several tall, vertical concrete piers of varying heights, some with internal structures. A long, winding, and relatively flat section of the project stretches across the center, characterized by its segmented, stepped appearance. To the right, a completed or nearly completed section of the structure is visible, featuring a smooth, paved surface with a dark, textured edge. The surrounding terrain is rugged and uneven, with sparse vegetation and rocky outcrops. The overall image conveys a sense of significant industrial activity and engineering scale.

*Looking east along Sheikh al-Khalifa Street, one of the main thoroughfares.*

There are sparkling bright beaches shaded with date palms perfect for every kind of water sport: windsurfing, sailing and diving. And, of course, there is the desert — perhaps the greatest attraction. As one Swiss tourist said after an all-day desert safari in a Toyota 4x4 Land Cruiser: "If this is Arabia, we'll come back again. It has been a fantastic experience."

Nasser al-Nowais, chairman of ADNHC, sees the company's role expanding and diversifying to every area of the hotel, catering and tourist industry. Quoted in the company's latest annual report, he says: "Our expansion program has not been limited to the UAE, as we have also set up a company to invest in hotel and tourism projects in other parts of the Middle East. The overseas Tourist Investment Company has two tourist villages which are already operating successfully in Tunisia and Morocco, and a further four

are under development in Turkey and North Africa.

Mr. Hussain Al Nowais, chairman of Emirates Holding, one of the city's leading businessmen active in many of the service sectors and a strong supporter of tourist developments says, about Abu Dhabi: "It is clean, safe, secure — and sunny. What more could a tourist want? What more could ADNHC wish now that its hotels are beginning to fill with tourists, with average occupancy rates of 70 percent or more. Last year approximately 18,000 tourists visited the United Arab Emirates, of which Abu Dhabi got its fair share. This year it expects to double the number, as tour operator allotments are taken up. Many see the 1989-90 season as the start of the Arabian tourist boom."

"We are trying to streamline our immigration, to make it smoother for those requiring visas and to be more friendly.

# New Council to Streamline the Oil Industry

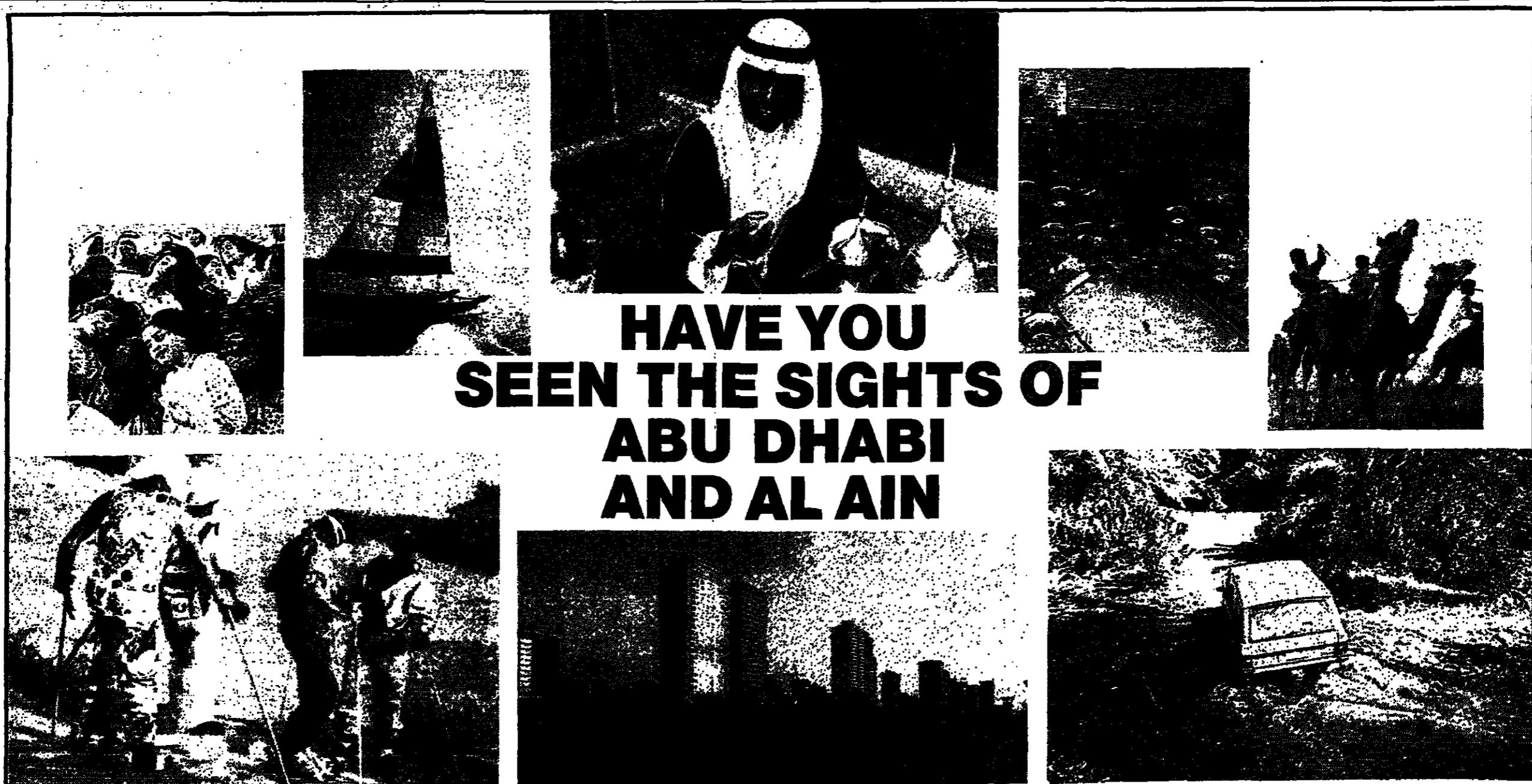
**A** supreme Petroleum Council has been appointed to take over the running of the oil industry and to rationalize the management activities of the Abu Dhabi National Oil Company. The council, composed of a wide range of senior oil officials and banking executives, will have to tackle the problems of lower oil revenues and a possible sudden increase in output. Oil has made the emirate one of the richest countries in the world, with a gross domestic product that has risen from a low in 1985 to just short of DH 60 billion (\$20 billion) at the end of 1986. Two-thirds of this figure was accounted for by oil and gas production.

Although efforts are being made to diversify the economy by encouraging more investment in the services sector, particularly tourism, real estate and property maintenance, as well as some light manufacturing, oil remains the basis of the economy. With the falling price of oil, both Abu Dhabi and the United Arab Emirates as a whole have had to cut back some of their budgetary expenses.

Important suggestions about future strategy have come from Dr. Mana Saeed al-Oraiba, minister of petroleum and mineral resources, in a lecture to the general headquarters of the United Arab Emirates armed forces in Abu Dhabi, published recently. He made it clear that the OPEC quota of 948,000 barrels a day was unacceptable.

"We have fixed the oil quota at 1.5 million b/d, and this is the minimum level accepted by the UAE under the present difficult circumstances," stated Dr. Otaiba. At the same time he outlined the UAE's reserves in oil and gas, which he put at 100 billion barrels, compared to Saudi Arabia's 167 billion. These would be sufficient for the next 500 years, depending on output, and there is estimated to be enough gas for at least 1,000 years.

In order to streamline oil exploitation, production and  
*Continued on page 16*



Sparkling blue seas, perfect for all water sports, or simply soaking up the eternal sunshine! 5 Star Hotels offering

impeccable service,  
international cuisine,  
luxurious accommodation  
and full business and



leisure facilities. We even have a fantastic Amusement Park in Al Ain for the whole family to enjoy!

So the next time you  
need a base in the Middle  
East for business or leisure,  
make it Abu Dhabi.

ABU DHABI NATIONAL HOTELS COMPANY

**Owner and Supervisor of Hotels operated by the most renowned International Hotel Chains**

Sheraton Abu Dhabi, Tel : 773333, Tlx : 23453 SHERAD EM, Fax : 725149 Abu Dhabi Inter-Continental, Tel : 666388, Tlx : 23160 INHOT EM, Fax : 669153  
Al Ain Inter-Continental, Tel : 654654, Tlx : 3404 IHCAAN EM, Fax : 641096 Hilton International Abu Dhabi, Tel : 661900, Tlx : 22212 HILTELS EM, Fax : 369696  
Hilton International Al Ain, Tel : 641410, Tlx : 33505 HILTON EM, Fax : 654958 Meridien Hotel Abu Dhabi, Tel : 776666, Tlx : 23794 HOMER EM, Fax : 727221 SITA CODE AUHROAR  
Abu Dhabi Gulf Hotel, Tel : 448777, Tlx : 22904 GULFIL EM, Fax : 376537 Ramada Hotel Dhafra, Tel : 71600, Tlx : 52201 RAMAJD EM, Fax : 71002

## National Banks, International Interests

**T**HIS year marks the 20th anniversary of the founding of the National Bank of Abu Dhabi, one of the leading banks in the United Arab Emirates. "We are doing fine," says His Excellency Mohammed Habroush, chairman of NBAD, reflecting the views of most of the banks in the city. "We will be doing a little better this year. We are a very conservative and cautious bank," he adds.

In 1987 the bank had an operating profit of more than DH 95 million

Even so, the board expects to make substantially higher net profits by the end of this year.

"Things are definitely on the up and up, but there is still some concern about the oil price," comments a manager. Some revival of commercial activity is seen, particularly in real estate.

Foreign-exchange activities have been increasing. The bank is handling an average of \$400 million to \$500 million a day on the spot market, and is one of the largest dealers in the region. The NBAD has 12 traders plus a chief dealer. As part of its objectives this year, the bank is continuing its arbitration policy by hiring and training more nationals.

Abu Dhabi Commercial Bank also has an extensive program of training nationals. "It used to be a problem, but now we are able to find more recruits," comments Sultan N. al-Suwaidi, managing director and chief executive officer. He, too, is optimistic about the future, but not just because of the Gulf War cease-fire. "We are expecting to see more trade-related business, more LCs and more project financing. Business has begun moving again here and the situation is generally improving," says Mr. al-Suwaidi.

The bank, which has a 60 percent government stake, has a very close business relationship with the Indian subcontinent. Besides its branch in Bombay, it has a representative office in London, which provides backup services for all its operations in the Emirates and India.

Last year the bank turned a profit of DH 40 million. "I think that this year we will show a 40 percent increase," says Mical Suwaidi, adding that the bank had to

make a very small provision for bad debts. "We have not had to create additional provisions," he adds.

Since its formation as a result of the merger of three local banks in 1986, the bank has adopted an aggressive attitude toward expansion.

Sultan N. al-Suwaidi, managing director, Abu Dhabi Commercial Bank

sion and development of new products for its customers. It has 24 branches, and is increasing its ATM network from 23 to 27. ADCB is also the sole issuer of MasterCard in the United Arab Emirates.

Last February the bank introduced its Islamic Fund No. 1, a currency trading fund based on its foreign exchange operations. Requiring a minimum investment of \$5,000, the fund now stands at about \$5 million, showing an 8 percent growth. "We are limiting the size of the fund, because we cannot use the interest on the deposits of our customers," explains Mr. al-Suwaidi.

This month ADCB launched another foreign currency fund, Unit Fund No. 3, which will include units earning deposit interest and gains from currency dealings. It is the only one in the UAE, and will use locally based funds with a minimum of \$5,000 units. The new fund has been launched on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

BCC (Emirates) was one of the first banks to install automatic teller machines, and has computerized online services in all its branches. Profits last year were DH 71 million, a slight decrease from 1986. But half-yearly profits this year have already shown a 30 percent increase, reflecting the changing economic climate in the Gulf.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

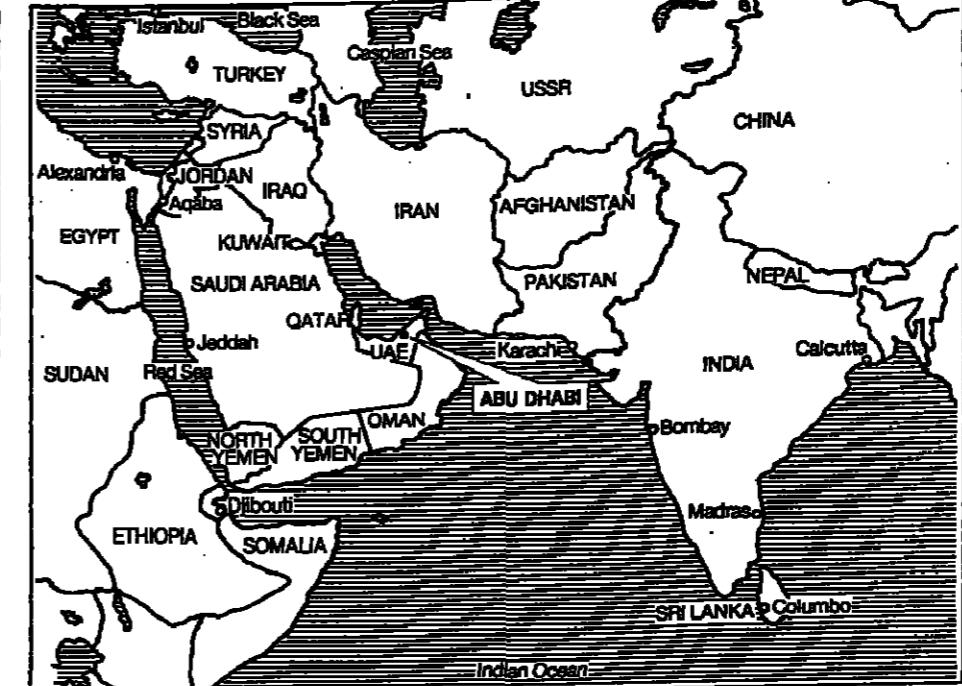
Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.



Bashir Tahir, general manager, Bank of Credit and Commerce.

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

BCC (Emirates) was one of the first banks to install automatic teller machines, and has computerized online services in all its branches. Profits last year were DH 71 million, a slight decrease from 1986. But half-yearly profits this year have already shown a 30 percent increase, reflecting the changing economic climate in the Gulf.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on our own account," says a manager, but BCC (Emirates) is also able to take advantage of the massive international network of BCCI, "which in a sense makes us an international bank as well."

Most of its business is in trade-related and straightforward commercial banking operations. It also operates an important foreign-exchange dealing room, open on a 24-hour basis. Its customers include the Abu

Dhabi National Oil Company, the Abu Dhabi Investment Authority and the Ministry of Finance.

One of the most rapidly expanding banking operations in the UAE is that of Bank of Credit and Commerce (Emirates). Started only five years ago following the conversion of the Bank of Credit and Commerce International (Overseas) into a local bank, it now has 16 branches. While it is often confused with the better-known BCCI International, the management of BCC (Emirates) in Abu Dhabi points out the difference. BCC (Emirates) is a local commercial bank whose shareholders consist of the Abu Dhabi Investment Authority (10 percent), the Dubai government (10 percent), local national shareholders (40 percent) and BCCI (Holdings) Luxembourg (40 percent).

"We operate here in Abu Dhabi purely on



## New Programs for Investors

**A**b Dhabi's overseas investments are conservatively estimated at more than \$55 billion. Most of this has been placed by the Abu Dhabi Investment Authority, known for its cautious, conservative approach. Although Abu Dhabi's extensive oil and gas reserves are second only to Saudi Arabia's, they are regarded as a very finite resource.

"Our main economy is oil, and we have had to live with this whether we like it or not," says his Excellency Mohammed Habroush, managing director of ADIA. "We are now concentrating our investments on the more traditional markets. We are trying to invest for future generations — oil will not always be there, and we have to have an alternative."

Sheikh Habroush chooses his words with care when outlining ADIA's investment policy, words of wisdom which might be applied to any long-term investment. Excessive profit-making never enters into the picture.

"As far as our investments are concerned, we always look for a good return — it is the yield which matters to us. We invest in the world's free markets: Europe, the United States and Japan. We try to avoid all areas of suspicion — we do not want to end up having a controlling interest in companies in which we invest. We try to avoid areas of national interest, and we try to keep away from all investments which might arouse any national feeling against us. We are always looking to the long term — we do not speculate."

At the other end of the spectrum, i.e. in the private sector (but complementary to ADIA), is one of the

Arab world's newest investment institutions, the National Investment and Securities Corporation (NISCORP). Established in Abu Dhabi, it is believed to be the only all-Arab investment house in the United Arab Emirates, and probably in the Gulf.

Explaining the role of NISCORP, its president and chief executive, Abduljabbar al-Sayegh, says: "We are looking for the neglected investor, the person who has perhaps \$5,000 lying idle. We do not expect to see any of the traditional high net-worth individuals coming to us. After all, why should they? We have to prove ourselves first."

NISCORP's strategy is to offer a "one-stop brokerage and investment service." Mr. al-Sayegh identifies the "neglected investor" as the person who is often turned away by banks because the size of the potential investment is too small and proportionally too costly to manage.

The idea for NISCORP came to Mr. al-Sayegh after he had been working for both the Abu Dhabi Investment Company and the Abu Dhabi Commercial Bank, where he was deputy managing director.

"While I was with ADIC, we used to receive a lot of inquiries from private individuals which we had to turn away because we were only really interested in public sector and corporate investors. When I moved to the bank the same thing seemed to be happening there. I decided we should do something about what I thought was a large neglected area of business."

Now NISCORP is collecting small investments from what it regards as a "niche" clientele, and looking at new products. It has recently started a foreign currency fund, NISTAL, which will be jointly managed with Staines & Allen Investment Management S.A. of Geneva. NISCORP is trying to persuade the small investors to switch their funds from time deposits, where inflation automatically erodes the small yields.

Abduljabbar al-Sayegh, president of NISCORP.

management team is Yasumasa Morita, executive vice president for the Far East, who has spent many years in Abu Dhabi as portfolio manager with ADIA. He has specialized in the Japanese equities market for most of his career. Last September NISCORP took a 5 percent interest in Daisei Securities, which was listed last year as the 49th biggest trader on the Tokyo Stock Exchange.

NISCORP has an authorized capital of DH200 million (\$46.4 million), with DH40 million paid up. It expects to increase the paid-up capital to DH100 million by next March. Total funds invested to date are estimated at \$50 million.

"We are looking for opportunities which will give us a yield close to an average return on any portfolio, or which will outperform the stock exchange indices," says Mr. al-Sayegh. "We, like NISCORP, are also looking at opportunities which will benefit us, like the Daisei stake, because we have a lot of Japanese business. We also want to become an 'active' investor."

As for the Far East, he adds that this is where growth over the next 10 to 15 years is going to be taking place.

"Anyone moving into that market now will be smiling later," concludes Mr. al-Sayegh.

L.V.

Another area under study is a Far Eastern fund, which would consist of a portfolio of new high-tech companies.

Also on NISCORP's



## Major Exhibition Site Planned

**T**HERE is an optimistic mood in the Abu Dhabi Chamber of Commerce and Industry which, not so long ago, moved into a new tower block on Abu Dhabi's beautiful corniche.

"You can't change the past, but you can ruin a perfectly good present by worrying about the future," states a small plaque on the desk of Saleh Rashed al-Dhaberi, director general of the Chamber.

"I am glad to say that things are getting a lot clearer here now as far as the future is concerned. The government is hoping to embark on a 25-year master plan for the development of Abu Dhabi," says Mr. al-Dhaberi. "The cease-fire in the Gulf is an important factor and is giving us a

tions which would provide a better future."

"The year 1987 was a period of rejuvenation in most economic sectors following a period of economic recession during the past few years. Economic indices have recorded growth in both petroleum and non-petroleum sectors, and efforts aiming at creating an appropriate atmosphere for domestic and foreign investment, particularly those in productivity, continued," he added.

According to the Chamber's report, exports in the United Arab Emirates rose by 22.7 percent in 1987 compared to the previous year.

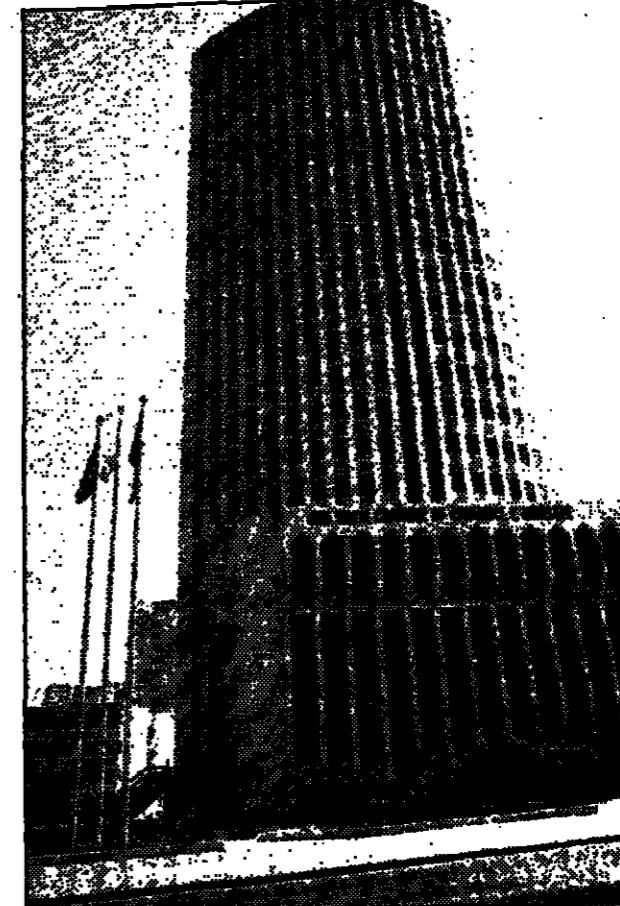
Non-petroleum exports rose from DH 6.1 billion (\$1.69 billion) to DH 9.2

billion and petroleum exports from DH 31.7 billion to DH 37.2 billion.

Abu Dhabi's share, which formed the major portion of oil exports, increased by 12 percent, but its non-oil-related exports showed a substantial increase of 55.7 percent, indicating a recovery in exports and re-exports.

Mr. Dhaberi hopes that there will be increasing participation by foreign companies wanting to invest in Abu Dhabi's non-oil-related developments. "We are looking for partners to come mainly into the services sector — tourism, agriculture and food processing, general services, and maintenance," he says. "We believe there is a great future in these sectors, not only for Abu Dhabi, but for the Gulf Cooperation Council countries as a whole."

Mr. Dhaberi believes that there has to be more cooperation over future development between the GCC countries. He advises foreign partners: "When you come to Abu Dhabi, you should not only be thinking of the market here in the UAE but throughout the GCC." Even before the cease-fire between Iran and Iraq came into operation,



The new Chamber of Commerce and Industry building that dominates part of the Corniche.

business had been picking up in Abu Dhabi. "We know this because the number of business licenses which we have issued so far this year is about 30 percent more than in 1987," he says.

The chamber has 31,400 members. Its two offices in Abu Dhabi and Al Ain recorded 1,239 new trading licenses and 2,463 new professional licenses in 1987, noticeable increases over the previous year.

The Chamber is extremely active in arranging both inward and outward trade missions. Inward missions, including 15 from Europe, totaled 38 in 1987 and are running at about the same level this year. The Chamber is also active in sponsoring seminars and conferences, and provides a wide range of backup research services for potential investors. Its research department is one of the most resourceful in the Gulf, providing economic and marketing information on almost any sector.

The Chamber is planning to put Abu Dhabi on the world business map by staging a major international exhibition in the city next year. It will be the first truly international fair in the GCC. Already there have

been confirmed applications from 10 countries for space at the fair, which will be held in November 1989. Applicants include countries



Saleh Rashed al-Dhaberi, director general, Chamber of Commerce and Industry.

from the Far East and Southeast Asia, Europe, Africa and the Middle East.

Designs have been submitted for a new international trade and exhibition center to be built on an existing site on the city boundary. It will cover an area approximately 1 kilometer by 0.5 kilometers. As well as including permanent halls and exhibition pavilions, it will be surrounded by a recreational park with all kinds of leisure facilities.

L.V.

## New Council Streamlining

*Continued from page 13*

marketing, ADNOC underwent radical changes in its executive and management structure this summer. Its management board was dissolved and replaced by a new 11-member Petroleum Council chaired by Sheikh Khalifa bin Zayed al-Nahyan, crown prince of Abu Dhabi. Sohail F. al-Mazru

had his appointment as acting general manager of ADNOC confirmed, and became secretary-general of the new council. The role of the council, which is completely autonomous and has absolute authority in the emirate, is to plan and execute all matters relating to the petroleum industry.

ADNOC has been going through an active period of

arabilization of key managerial and technical posts during the last few years. About half its employees are now emirati nationals. Training is a key part of the program.

ADNOC's personnel director, Abdulla al-Badi, wants to see a broad spectrum of state-of-the-art training for managers and staff. He would like to see Abu

Dhabi become a focal point in the United Arab Emirates and the Gulf for training oil industry personnel.

Last year 626 employees — 422 from ADNOC and the rest from associated companies — attended courses. Nearly 100 went abroad for further training. Today more than 500 technical, business and commercial graduates have completed their training and are working through ADNOC and its many associated companies. "Their impact and contributions are being increasingly felt year after year," says Mr. al-Badi.

ADNOC heads a group of 24 associated companies involved in all aspects of the hydrocarbon industry, from oil and gas companies to refineries and shipping and fertilizer plants.

Oil on a commercial scale was first discovered and exported from Das Island 26 years ago, but ADNOC was not officially formed until nine years later, when Abu Dhabi became part of the newly independent United Arab Emirates. Up to then it had been one of the British Trucial Oman States.

ADNOC has been the driving force behind Abu Dhabi's oil development — and economy — since its creation. It maintains a close relationship with its foreign partners and shareholders, which include British Petroleum, CRP-Toral, Exxon, Shell, Mobil, Panče and the Japan Oil Development Company.

L.V.



## ABU DHABI NATIONAL OIL COMPANY (ADNOC)

ADNOC produce and supply crude oil, refined products and natural gas to international and domestic markets.

P.O. Box 898 Abu Dhabi, United Arab Emirates Tel: 666000 Telex: EM 22215 Cable: ADNOC

## WE'RE KNOWN BY THE COMPANIES WE KEEP

Consider joining our growing group which includes Carter Dresser, Ebara, Hughes Tool, Lummus, Sumitomo, Westinghouse and Yokogawa...



الشركة المتعددة للمهندسات الفنية  
UNITED TECHNICAL SERVICES

P.O. Box: 277, Abu Dhabi, UAE Tel: 774400 Telex: 22643 UTS EM Fax: 722012

مكتب الملاحة



# National Hotels Group Is Force in Leisure Industry

A tourist department has just been formally started within the framework of the Abu Dhabi National Hotels Company. The first semi-official body of its kind to be created in the United Arab Emirates, it signals the start



Riding the desert waves: a popular tourist adventure.

of a major campaign in the tourist sector.

The driving force behind this move is the Abu Dhabi National Hotels Company. As well as owning five of the main hotels in Abu Dhabi, two in Al Ain and another at Jebel Dhanna, the company is also building a new hotel at Ghantoot, close to the border with the neighboring emirate of Du-

abi, and plans another in the mountains at Al Ain.

## SPORTS

# On the Track, in the Gym, the Steroid Black Market's Booming

By Peter Alfano  
With Michael Janofsky  
*New York Times Service*

**NEW YORK** — The spoils of a little known drug war lay on a table in the office of Philip Halpern, a U.S. attorney in San Diego. There were bottles, vials and a syringe, all filled with anabolic steroids, confiscated by federal authorities during arrests in steroid-smuggling cases.

Halpern's collection has been growing, but not as fast as the steroid black market in the United States, which, federal law-enforcement officials conservatively estimate, now exceeds \$100 million a year. The result: steroids are rapidly becoming as easy to obtain as aspirin.

Unlike aspirin, however, they aren't sold over a pharmacy counter; they can't be purchased without a prescription is illegal and they are legitimately prescribed only for certain unusual medical conditions. But, they are readily available at almost any fitness center or body-building gym.

Athletes and body builders use steroids, which are believed to enhance muscle growth, to try to gain an unfair edge in strength, stamina and speed in competition. This is why the substances are banned by the International Olympic Committee and most other sports governing bodies. Plus, although there is only limited clinical evidence, many doctors warn that prolonged use might cause cancer, heart disease, hypertension, high cholesterol or sterility.

Despite the perception that athletes are the primary users of steroids, law-enforcement officials say athletes might account for only 10 percent of all users. Traffickers agree.

"The majority of steroids are consumed by individuals who are concerned by how they look: factory workers, waiters, policemen and firemen," Halpern said in a recent interview. "There is a smaller market in kids."

The short and energetic Halpern, 35, may be the most aggressive prosecutor of steroid-smuggling rings in the United States. The last three years, he and his associates have prosecuted 151 such cases. He wishes he could do more. "I want to be optimistic," Halpern said. "Realistically, I want to believe that with increased public awareness and penalties, there will be less use of steroids."

Authorities say, however, that they can now barely keep up with suppliers because the steroid communication and distribution network is extremely sophisticated and geographically widespread. Illegal steroids are available in nearly all large population centers and most small towns in the United States. "We can do a bust on our coast and, within hours, it is known everywhere in the country," said a federal investigator familiar with steroid-smuggling cases, who asked that his name not be used.

The drugs are coming into the United States from Europe, South America and Mexico. In addition, officials estimate that anywhere from 5 to 20 clandestine laboratories in the United States are in operation. They and steroids traffickers say that perhaps 95 percent of the black-market steroids are counterfeit — those manufactured in unlicensed laboratories — and thus greatly increases the potential risks for users.

The authorities say that the major distribution points for the black-market drugs are the body-building gyms and the fitness centers, where steroids can be bought or where, at the least, a connection can be made for a purchase.

The extent of the black-market consumer is male, between 18 and 30, insecure, seeking acclaim and re-

Second in a series

wards," said David Jenkins, a former British Olympic sprinter who was indicted by Halpern in May 1986 and now is awaiting sentencing. "They come from a gym environment, where a muscle mentality pervades and creates a demand for bigger bench-presses, bigger squats. But they would rather not take a long-term approach.

In addition, said Duchaime, who is awaiting sentencing on one count of conspiracy to defraud the federal government and one count of interstate sale of the anabolic steroid Dianabol, some European athletes who came to train in Southern California financed their trips by bringing along steroids to sell. He said the only time mailing became more dangerous was during the Christmas season, when customs agents were more diligent.

Last month, Congress passed the Omnibus Anti-Substance Abuse Act. The new law, which was to be signed Friday by President Ronald Reagan, will upgrade trafficking from a one-year misdemeanor to a three-year felony, doubled when the steroids are sold to minors. It also includes a maximum fine of \$25,000. The irony, Halpern said, is that successfully prosecuting the so-called amateurs, like Jenkins and Duchaime, has opened the door to a more sinister criminal element — cocaine and heroin dealers — who know there is money to be made in steroids.

In the cases Halpern has prosecuted, as well as one in Los Angeles and another in San Jose, California, many of the defendants were body builders, former athletes and self-educated steroid experts. They are known as "the nice guys" to law-enforcement officials. The nice guys said their motives were making a profit and helping athletes achieve success. "They thought they were doing a service," the federal government investigator said. "These new people are only in it for the buck. They don't give a damn about anything else. There's all sorts of garbage out there."

"Most people are astonished about how much money is involved," he added. "They've found gym bags with \$170,000 in them. Clearly, I think the demand is rising."

The U.S. demand for counterfeit steroids increased over the last decade as the FDA determined that generic steroids manufactured by pharmaceutical companies were of decreasing value to the medical community and limited their production. In the early 1980s, traffickers say, a considerable amount of steroids on the black market were those

illegally diverted from these companies. But with demand increasing and supply dwindling, unlicensed labs began to flourish, trying to duplicate steroids like Dianabol, the drug of choice among athletes and body builders. Counterfeit steroids, however, are frequently adulterated and mislabeled; a bottle may contain a steroid other than that listed, or the potency may be below the stated amount. Halpern said he also knows of two instances when steroid syringes were contaminated, resulting in the transmission of AIDS.

He said he knew of three secret labs making steroids in the United States, in Missouri, Florida and Washington. The federal investigator said that when labs close down one lab, another invariably takes its place. One of the larger current operations is believed to be in Colorado, at a site officials would not identify. They say it is extremely well-financed, called it "slick and totally unethical," adding that

"the trouble is that not only are the steroids weak, some of the water-based compounds have microorganisms that will cause you fever. Others are mislabeled."

He cited other instances where the illegal-drug user was a victim of fraud. "For example, there was a monkey-growth hormone coming out of Florida that was really vitamin B-12," he said. "Two bucks and they were selling it for \$150 a bottle."

In another case, being prosecuted in San Jose, five persons were indicted for distributing steroids that they labeled as made in East Germany, but that actually were manufactured clandestinely in the United States. They were exploiting a rumor in the steroid underground that the East Germans had improved a certain steroid, making

it more potent. Supposedly, the drug was forbidden to be shipped out of East Germany, but that did not prevent the San Jose ring from passing off theirs as the real thing.

Not all counterfeit drugs are poor imitations, said Duchaime. He claimed that the Dianabol his group was selling in 1986, when the FDA took it off the market, was made in a laboratory in Tijuana — in Mexico, anabolic steroids can be sold over-the-counter — and was of first-rate quality.

It cost about \$1.45 to make a bottle containing 100 tablets of Dianabol. The trafficking ring initially sold them for approximately \$5 a bottle.

The laboratory in Tijuana, Laboratorios Milianos, was run by Juan Javier Macklis. He was named in the indictment only if he enters the country. He also ran advertisements in major newspapers in southern California, encouraging Americans to cross the border to purchase steroids. It is illegal to bring the drugs into the United States, but Macklis left that problem to the ingenuity of the consumer. The shipments smuggled into the United States by the ring were hidden in automobiles or carried across by couriers, who used routes favored by illegal aliens.

An informant eventually enabled customs agents and other federal authorities to crack the ring. Still, law-enforcement officials say, the answer to ending steroid use is eliminating demand rather than supply. Halpern said this might be possible because steroid users are generally health-conscious and fitness-oriented. They would stop using the drug if convinced it was harmful, he said.

"As a prosecutor, I feel we are losing the war on drugs," Halpern said. "But I don't feel that way about steroids. I think we have a chance to stop people from using them."



AP/Wide World

**ug Bill** in signed a most Hugh provisionally his wife's cruse, seeks to hand off, tougher position. It also gets a right again.

**U.S.** bber crashed in the second accident days, officials said. is reported to be in one of on fire before it hit the air force's 98-B-1B bomber destroyed one of its

**IRS in Jail** term U.S. com- racketeering at ed Aug. 5, and was convicted as a defunct racketeer public officials' contracts, and a half year ago. Wedtech cas- \$7 million. The up to 20 years.

## New Coach, New Hope For Lions

By Thomas George  
*New York Times Service*

**omals** expelled from the expelled frank he said. compatible with the Thursday, mea- Britain expand- ish diplomatic per conduct- dered out in ex- fied expansion. Wood Rainier is belled because it's with the men.

### NFL PREVIEW

**Rogers** could not in four seasons. People close to the team, including Ross Thomas, the general manager, said the mood had changed noticeably. But Sunday against the Green Bay Packers in Milwaukee, Fontes must do what is required of all coaches and what Al Davis offers as sound advice: "Just win, baby."

Fontes, the former defensive coordinator, took over Monday team that is 2-9 after a three-game losing streak and ranks last in offense in the NFL. So, he is making changes. He wants more motion, more movement, more misdirection.

The Lions had relied on slow-developing plays that Rogers hoped took advantage of their size and strength. But as Fontes noted, a team can run the same play 12 times and each time give the defense a different look.

It helps Fontes that his first game is against the Packers, also 2-9 and struggling under a first-year coach, Lindy Infante. It helps the Lion players like and respect

Fontes. But winning the first one would help Fontes even more. Las Vegas odds-makers rate the Packers as 4-point favorites.

**NATIONAL CONFERENCE** Philadelphia (6-5) at New York Giants (7-4). The four-team race in the National Conference East will be a confusing scrap if the Eagles win. It is possible that, after Monday night, these teams, plus the Jets, will have to play with records of 7-5 and 7-4.

The Lions had relied on slow-developing plays that Rogers hoped took advantage of their size and strength. But as Fontes noted, a team can run the same play 12 times and each time give the defense a different look.

It helps Fontes that his first game is against the Packers, also 2-9 and struggling under a first-year coach, Lindy Infante. It helps the Lion players like and respect

Fontes. But winning the first one would help Fontes even more. Las Vegas odds-makers rate the Packers as 4-point favorites.

**AMERICAN CONFERENCE** New York Jets (5-5) at Buffalo (10-1). The Bills can clinch their first American Conference East title since 1980, while the Jets are near

fifth place in the division.

**INDIANS** (12-2) at Cincinnati (7-7). The Bengals are 2-9 and have to play with the Browns, who are 2-9.

**SEAHAWKS** (7-3) at Seattle (7-4). The Seahawks are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at Denver (7-4). The Broncos are 2-9 and have to play with the Rams, who are 2-9.

**CHIEFS** (7-3) at Tampa Bay (7-4). The Buccaneers are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at Atlanta (7-4). The Falcons are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at San Diego (7-4). The Chargers are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at Miami (7-4). The Dolphins are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at St. Louis (7-4). The Rams are 2-9 and have to play with the Chargers, who are 2-9.

**RAVENS** (7-3) at New England (7-4). The Patriots are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at Dallas (7-4). The Cowboys are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at Houston (7-4). The Texans are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at Chicago (7-4). The Bears are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at San Francisco (7-4). The 49ers are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at San Jose (7-4). The 49ers are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at St. Louis (7-4). The Rams are 2-9 and have to play with the Chargers, who are 2-9.

**RAVENS** (7-3) at New England (7-4). The Patriots are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New England (7-4). The Patriots are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-9.

**RAVENS** (7-3) at New Orleans (7-4). The Saints are 2-9 and have to play with the Rams, who are 2-

**POSTCARD****Kids Hooked on Art**

By Grace Glueck

New York Times Service

**N**EW YORK — "It's about an outside a guy who doesn't fit on the block or something. He falls in love with this girl who rejects him because he's too weird, he's too much of a nerd. And so, in sadness, he walks in the night, and as he walks the snow starts falling gently, very gently."

Tim Rollins, 33, artist and teacher, is telling the story of Franz Schubert's song cycle "Winterreise" to a group of youngsters who will make paintings about it. They are the "Kids of Survival," as Rollins calls them, a group of Hispanic teen-agers in the South Bronx ranging in age from 14 to 18, many of them with emotional and learning problems. But art has become their preoccupation and their pride.

Their painting-collages based on literary classics — done under the rubric of "Tim Rollins + KOS" — have not gone unnoticed in the international art world. A SoHo dealer, Jay Gorney, who handles the work, has sold individual pieces for as much as \$30,000 to such buyers as Charles Saatchi, the London collector, and several major museums.

Last summer the paintings were on view at the Venice Biennale and at Rose, the international festival of contemporary art in Dublin. KOS is preparing for exhibitions next month in Düsseldorf and Madrid.

The money earned by the group pays salaries and stipends to the teen-agers and Rollins and allows for trips abroad. It will also help establish a school, the South Bronx Academy of Art, that — running on a " shoestring budget" — will work with youngsters in the same close collaborative mode Rollins has established.

**F**OR THE last seven years, the youngsters — about 15 of them — have been working with Rollins between and after school hours at Intermediate School 52, where he was teaching and now at the non-profit Art and Knowledge Workshop he set up three years ago. There they have been involved with projects like "The Scarlet Letter," "Moby-Dick," "Alice in Wonderland" and "A Journal of the Plague Year."

Mark Rosenthal, curator of 20th-century painting at the Philadelphia Museum, probably the first museum to buy a painting by the group, said: "I find their work very

touching, very emotional and visually interesting. It may at times be too close to the tradition of Surrealism, but it's powerful and quite contemporary."

The museum owns — as does the Museum of Modern Art — a version of the group's most popular piece, which is based on Franz Kafka's "America." Done directly on the pages of a copy of the Kafka work, which are detached from the binding and pasted down on canvas, the composition consists of individual images of musical horns in gold paint jubilantly orchestrated into a skenlike arrangement.

Rollins, who grew up in a close-knit working-class family in Finsdale, Maine, feels that his background has helped him relate to the struggles of the kids' families.

"My job is to promote structure and discipline in the kids' lives," he said, "and give them the training to use their talents toward something positive and socially responsible. I oppose the idea of the graffiti movement, which is totally irresponsible."

**O**NE BIG success story has been that of Carlos Rivera, known to the group as Carlito. At 11, Carlito was classified as learning-disabled and enrolled in a special education program at ISS2. Considered an intractable behavior problem, he calmed down in Rollins' art class. From a pile of art books on a table, he picked a monograph on Mathias Grünwaldt that had a color illustration of Grünwaldt's mysterious and deeply religious masterpiece, the Isenheim Altarpiece.

"I assigned him to copy a panel of monsters from a part of the altarpiece that deals with the Temptation of St. Anthony," Rollins said. "He did it with amazing skill on a wood panel in acrylic, proving not only to me and the rest of the faculty but to himself that he had real artistic gifts."

Today, though Carlito still has trouble reading, he is one of the KOS superstars. For his 17th birthday last August, he was taken by Rollins to see the Isenheim Altarpiece in Colmar, France. "I was in shock," Carlito said. "It was like something that just hit me. I never thought in my lifetime I'd get to see it except in books. I was so happy that I felt like crying."

By Gary Lee  
Washington Post Service

**W**ASHINGTON — Ever since Andrei Sakharov, 67, stepped off a Moscow-to-Boston flight Nov. 6, staved at the army of American reporters and said, "By my watch, it's time for bed," a battle has broken out over his social schedule. And it is fierce.

Here's how fierce:

In New York, the Academy of Sciences had originally cagged Sakharov for a lunch, but at the last minute was edged out by Random House, publisher of Sakharov's memoirs. The scientists had to settle for a cocktail hour, which ended up being 45 minutes — 35 of which were taken up with introductory speeches.

At times, it got even fiercer. While visiting New York, Sakharov was swooped up by his friend Edward Klein and showed up late for a meeting with the Random House publisher Robert Bernstein, who also heads the Helsinki Watch Commission.

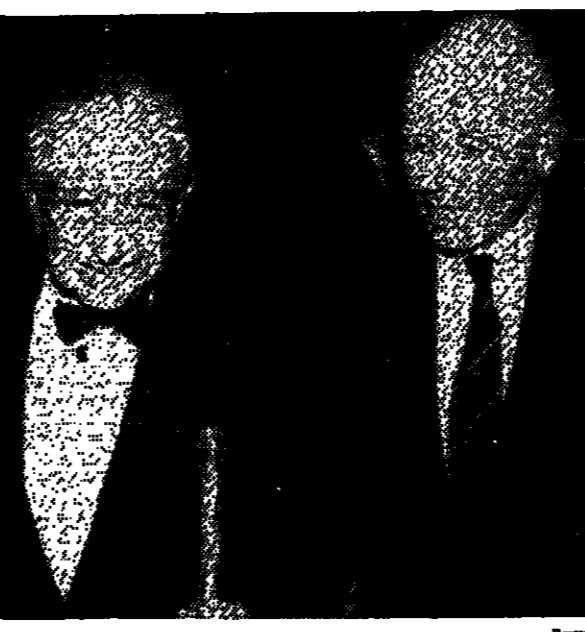
The next day, shortly after the Sakharov entourage jetted into Washington, Sakharov was snatched from Klein's hotel room by Bernstein and his son, Peter, publisher of U.S. News & World Report.

"Everybody who knows Sakharov is very jealous of his time and gets testy when someone else gets five minutes more with him than he had," said a friend who has been closely involved in organizing the Sakharov schedule. "You would think he was the pope or the Communist Party boss or something."

For years harassed by the KGB, banished from travel abroad, attacked by Soviet officials and held in forced exile, Sakharov became a cause célèbre in the West, gaining the support of dozens of activists in science and human rights.

"It seems to me that sometimes Klein translates what he thinks Sakharov should have said, rather than what he said," said a human rights activist who has observed the two at several social functions.

Officials at the Foundation for the Survival and Development of Humanity, the organization that invited Sakharov to the United States, deferred to others in the planning of Sakharov's sched-



Sakharov (right) with U.S. physicist Edward Teller in Washington.

helps organize the social schedule and occasionally translates.

"Respect our privacy," Tatjana said at the end of a Boston press conference. "Don't stake out our house." Sakharov also received occasional advice on his program from Bonner, who stayed behind in Moscow but has spoken to him frequently by telephone. Alexei and Liza Semyonov — also children of Bonner and Sakharov's stepchildren — are acting as hosts at some events.

Klein is a New York businessman who speaks fluent Russian and has long followed Sakharov's case, as well as those of other Soviet dissidents. Throughout most of the visit he has stuck close to Sakharov, acting alternately as intellectual bodyguard and translator.

"It seems to me that sometimes Klein translates what he thinks Sakharov should have said, rather than what he said," said a human rights activist who has observed the two at several social functions.

Officials at the Foundation for the Survival and Development of Humanity, the organization that invited Sakharov to the United States, deferred to others in the planning of Sakharov's sched-

ule. "In fact," said William Miller, executive director of the foundation, "he is calling most of his own shots. He knows what he wants to do and what he doesn't want to do here."

Sakharov's piroquette across Washington in the past week, highlighted by a Sunday evening dinner at the National Academy of Sciences, cut straight through ideological barriers. He was entertained by Senator Edward M. Kennedy one evening and by the conservative commentator, Ernest Lefever, the next. Celebrated at a Sunday dinner by Americans for his outspoken human rights stance, he was later invited for coffee by Yuri V. Dubinin, the Soviet ambassador to the United States.

"It was bizarre," said a source who attended the meeting for Sakharov at the Soviet Embassy. "Probably the first and last time the ambassador invites a dissident to his home."

On Monday, Sakharov met at the White House with President Ronald Reagan; had a luncheon with the International Foundation for the Survival and Development of Humanity; a question-and-answer session at the Kamen Institute; cocktails at the Library

of Congress; and dinner at the Smithsonian Institution.

From the time Sakharov's visit was announced, the bidding over his social schedule was so intense that even the conservative Ethics and Public Policy Center, usually queasy about associating with Russians, got involved. The group went to great lengths to get Sakharov to attend a Wednesday dinner, at one point even offering a private jet to get him to his next stop.

Sakharov refused the jet. He

did show up briefly at the dinner, however, where he bashed Reagan's "Star Wars" program and got a standing ovation from the 750 attendees.

Sakharov, a Nobel laureate, got four other awards in the week that just was. One was the Albert Einstein Peace Prize, which includes a check for \$30,000. Sakharov also appeared as guest of honor at six formal dinners, held forth for two hours before the international press and attended meetings of the Foundation for the Survival and Development of Humanity.

Sakharov's fast-paced social

schedule, fairly normal for western heads of state visiting the United States, marks the first time a Soviet activist has taken advantage of more liberal Soviet travel restrictions. Unlike, say, Alexander Solzhenitsyn, or Yuri Orlov or Anatoly Sharansky, who were exiled or emigrated to the West, Sakharov has a round-trip ticket; he is scheduled to go back later this month.

Sakharov is a celebrated physi-  
cist best known as a human rights advocate, but some of his hosts seem confused about his biography. In introducing him at Wednesday night's Ethics and Public Policy Center dinner, for instance, William F. Buckley said that Sakharov was eschewed by Gorky "about the time" he received a Nobel prize and remained there for five years. In fact, the exile came five years after the prize and lasted for seven years.

Sakharov's American hosts

were sometimes perplexed about how to entertain a man like Sakharov, who gave up the elite life of a privileged Soviet official to battle on the front lines of the Soviet human rights movement. Used to huddling with guests over

tea around the ramskape table in his kitchen, Sakharov is much more accustomed to small quiet chats with friends than to glitz in the center of the stage.

Senator Kennedy, who apparently pondered long and hard whether to feature entertainment at the sit-down dinner he hosted for Sakharov, finally decided to invite Karen Akers to sing. She turned out to be a smash hit, bringing a smile to Sakharov's face.

When President-elect George Bush showed up at the National Geographic Society's centennial awards dinner in Washington, the Society's president, Gilbert M. Grosvenor, told him that, although Barbara Bush has been a member for 20 years, he would soon be receiving his own free lifetime membership. "And sir, don't worry," declared Grosvenor. "I'll take care of your address change." Seated on the dais were 15 "Pioneers of Discovery" who were honored Thursday with Centennial Awards from the Society: Sir Edmund Hillary, the mountaineer; Jacques-Yves Cousteau, the undersea explorer; Jane Goodall, the primatologist; Harold Edgerton, the photographic inventor; Mary and Richard Leakey, the paleoanthropologists; Frank and John Craighead, the bio-ecologists; Bradford and Barbara Washburn, the cartologists; Senator John H. Glenn Jr., the former astronaut; Eman T. Elkin, the archaeologist; Robert Ballard, the deep-sea explorer; George Bass, the underwater archeologist; and Thayer Steele, the travel lecturer.

□

**PEOPLE****National Geographic Honors 15 'Pioneers'**

When President-elect George Bush showed up at the National Geographic Society's centennial awards dinner in Washington, the Society's president, Gilbert M. Grosvenor, told him that, although Barbara Bush has been a member for 20 years, he would soon be receiving his own free lifetime membership. "And sir, don't worry," declared Grosvenor. "I'll take care of your address change." Seated on the dais were 15 "Pioneers of Discovery" who were honored Thursday with Centennial Awards from the Society: Sir Edmund Hillary, the mountaineer; Jacques-Yves Cousteau, the undersea explorer; Jane Goodall, the primatologist; Harold Edgerton, the photographic inventor; Mary and Richard Leakey, the paleoanthropologists; Frank and John Craighead, the bio-ecologists; Bradford and Barbara Washburn, the cartologists; Senator John H. Glenn Jr., the former astronaut; Eman T. Elkin, the archaeologist; Robert Ballard, the deep-sea explorer; George Bass, the underwater archeologist; and Thayer Steele, the travel lecturer.

□

Jason Epstein, 60, the editorial director of Random House who has worked with such authors as W.H. Auden, Vladimir Nabokov, Norman Mailer, Gore Vidal and E.L. Doctorow, is the winner of the National Book Award Medal. The award carries a \$10,000 prize.

□

Linda Petersdottir, 18, who is Miss Iceland, won the 38th Miss World beauty title in London. Runners-up were Yeon-Hie Choi, Miss Korea, and Kirby Rose, Miss United Kingdom. This could be the last contest as Britain's independent television companies have decided to end the show. Although it attracts audiences worldwide, the show has been criticized for displaying women in an unflattering

light. □

Jazz musician Miles Davis has returned to New York to rest after fainting at the end of a show in Madrid. Spanish doctors said the 61-year-old trumpet player was suffering from severe exhaustion and an irregular heartbeat, but that there was no need for him to be hospitalized. Davis canceled performances in Barcelona and Italy.

□

A new study by the World Health Organization found that smoking causes heart disease and stroke.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□

Two new studies suggest that smoking may increase the risk of breast cancer.

□